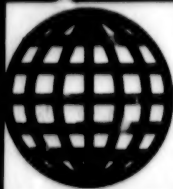


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# ***JPRS Report***

# **Soviet Union**

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***Economic Affairs***

# Soviet Union

## Economic Affairs

JPRS-UEA-90-027

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## ECONOMIC POLICY, ORGANIZATION, MANAGEMENT

### Arbatov Interviewed on Economic Reform Process

904A0495A Novosibirsk *EKONOMIKA I ORGANIZATSIYA PROMYSHLENNOGO PROIZVODSTVA (EKO)* in Russian No 6, Jun 90  
pp 33-46

[Interview with Academician G. A. Arbatov, USSR people's deputy, by A. K. Yermolayev, EKO division editor: "We Can No Longer Hide From the Truth"]

[Text]

[Yermolayev] Georgiy Arkadyevich, how clearly in your opinion is the situation that has evolved in the economy understood?

[Arbatov] I must admit that I can't give a straight answer to this question. On one hand I don't think anyone doubts the seriousness and the acuity of the situation. We often encounter extremely gloomy (sometimes excessively gloomy from my point of view) assessments as well. But at the same time, besides a rather large circle of economists (it has now become fashionable to scold them, and even blame them, for the difficulties, in the same way that attempts were made some time ago to blame doctors for the cholera epidemic), it seems to me that many still harbor the illusion that we will be able to get by without radical and, let me emphasize, immediate measures. It is as if we can go on tinkering with things slowly, and then, being frightened by it all, return right back to the old, meaning that for practical purposes we would be simply marching in place.

[Yermolayev] The impression is created that uncertainty and even doubt in the need for change has increased noticeably among practical administrators (including those of rather high rank).

[Arbatov] Yes, one sometimes senses a nostalgia for the authoritarian administrative order, and in any case for the ideological clarity and "class" directness and simplicity so typical of them. Evidence of this can be found in a number of statements made at congresses of USSR people's deputies, sessions of the USSR Supreme Soviet and some other meetings at rather high levels.

It seems to me that certain changes are also occurring in public sentiment. I am hardly about to blame the public itself for this. It has not only become confused by the diversity of opinions, but it has also been disheartened in some ways, because our statistics are still not providing the entire truth about the existing situation. Also because some people are shamelessly attempting to play demagogues at a low, moderate and sometimes even a rather high level with the fears of the people, with prejudices nurtured over many years of apologetic, primitive propaganda, and finally, simply with human weaknesses (including egalitarian leanings). Finally, in addition to

the confusing statements by certain extremely responsible persons, there are the rare and timid authoritative official explanations of the most important, complex, debate-eliciting questions of economic reform. It is essentially being defended very weakly and indecisively "from above" even in the face of attacks of growing intensity. Moreover the actions of the Ministry of Finances and of many other ministries produce the impression that the most powerful and dangerous attack on reform is developing here, "at the top" of the administrative pyramid.

All of this sows mistrust and skepticism among the people, if not cynicism. In the meantime the moods of the people are a major factor, one of the components of not only the political atmosphere but also the simple desire to work. Under these conditions it is hard to expect much from nationwide discussion of laws having key significance to economic reform.

[Yermolayev] In light of recent dramatic events, the debate over the question as to specifically what is to be dismantled has intensified once again. Is it to be the socialist type of economy, or a certain model of it?

[Arbatov] I feel certain that the latter is implied. We are currently living in a period of complete bankruptcy of the old authoritarian administrative model of the economy that has its origins in war communism. It worked under the extraordinary conditions of war, preparation for war and postwar reconstruction, but it has definitely proven itself unworkable in historical conditions that are in any way normal. That's one fact you can't escape. And the difficulty of the situation is aggravated by the fact that the socialist structure was unable to create another model in time (considering that it is relatively young, this is not all that surprising): only isolated more or less successful approaches were made (the NEP, the reforms of certain countries). Once again this is not all that surprising from a historical perspective: capitalism was one thing in the manufacturing period, another thing after the first industrial revolution, and today it has changed very significantly in comparison with both the one and the other. And certainly every stage, every period of development ended when the old model became obsolete and an acute crisis developed in the previous forms and institutions of administration.

[Yermolayev] But recognition of this does not relieve us of the need for admitting the obvious—the verdict which both our historical experience and the experience of other socialist countries passed down on the existing economic model.

[Arbatov] We could hardly be persuaded today by arguments suggesting that one form or another, one institute or another, is working well in, for example, Bulgaria, Czechoslovakia or the GDR. Perhaps from our point of view things are working, but the people of these countries, their society, have come to a different conclusion. As it is now clear, the model did not work in regard to what is most important about socialism (if we address its



original ideals, rooted deeply in history)—in regard to what makes up the essence of the socialist orientation, its main and sole reason for existence, and the main motivation for a transition from capitalism to a socialist path. I'm referring to the orientation upon the interests of the individual, upon the capability for satisfying them to the greatest degree and in the best way possible. This brought on a paradox: The socialist revolution in Russia gave more to the West than to its own people, forcing Western ruling circles to make serious concessions of a socioeconomic and political nature. This might flatter our messianic feelings, but overall, this does not make things any easier.

[Yermolayev] The debate on economic issues having to do precisely with the essence of the model has been going on in our country since the early 1960s. Reforms were started in 1965 not without its influence, even though they were half-baked and soon abandoned.

[Arbatov] It became obvious that the economic model that evolved in the USSR and was then transplanted to many other countries was deformed (the gentlest term I can use here) as soon as political and economic conditions in the society became normalized.

In the late 1960s and early 1970s (I would like to emphasize that the 8th Five-Year Plan, which existed in a relatively favorable economic situation, was one of the best) a number of Soviet scientists began persistently voicing their concern to the leadership that the existing economic mechanisms were dooming us to fall ever farther behind the West, in light of the scientific and technical revolution developing in the world (initially even this concept was prohibited in our press). I and the Institute of the USA and Canada were among them. A partial success was attained in 1972—a decision was made to prepare a special plenum of the CPSU Central Committee. A commission headed by CPSU Central Committee Secretary (actually the second secretary at that moment) A. P. Kirilenko (it included a few other CPSU Central Committee secretaries) and a working group were created for this purpose. The working group was directly responsible for preparing the materials of the plenum (it was headed by the late Academician N. N. Inozemtsev and me, and many prominent specialists, including academicians N. P. Fedorenko, A. G. Aganbegyan and others took part in this work).

After a year of hard work (it cost N. N. Inozemtsev a heart attack) the materials were prepared and given to the leadership, and apparently the radicalness of the proposals seriously frightened it (alas, many of the proposals retain their urgency today). In any case we couldn't even get an opinion on the material, and as far as the plenum is concerned, they simply tried to forget about it. (It was just recently that I heard that the first copy given to the leadership was found in L. I. Brezhnev's safe, which was opened by a commission after his death.) Thus two possibilities for beginning significant radical transformations in a relatively normal, even favorable situation, "from a position of strength" so to

speak, were not utilized. We might add to them a third—the possibility that availed itself in the first years of perestroika, a time associated with a wave of positive feelings, hopes and anticipation of changes. I am not about to judge whether these possibilities could have been utilized, or whether those who feel that only an acute crisis, very large difficulties, can compel us to make truly radical changes are right. If this is so, then of course this is always a more painful and in some ways a more dangerous path.

[Yermolayev] It follows from what you say that we must now undergo radical economic restructuring "from a position of weakness," under the strong pressure of growing problems, which leaves less time both to search for a strategy and to assure the doubters.

[Arbatov] Yes, this is so. The first thing we need to do is arrive at unanimity in our opinions on the most important issues as soon as possible. At least in relation to those deriving from our own experience, from the experience of all socialist countries. The first of them is the issue of commodity and money relations and the market. The way we understood things before was that these are attributes and manifestations of capitalism, and that they should be discarded together with capitalism. And the place of commodity and money relations and the market was to be taken by directive planning, but what we did not understand, and later ignored, was the fact that the antipode of the market is a natural economy. It might be that the creators of the authoritarian administrative system conceived of centralized planning in the spirit of a very large, complex and perfected (if such a term is appropriate here) natural economy. To what this all led is well known.

This leads, it seems to me, to the doubtless but not yet accepted conclusion that in the form in which it evolved in our country, directive planning is incompatible with the marketplace. We need to choose one or the other. After the choice is made, understandably we cannot switch from directive planning to a market, to commodity and money relations, right away, in a single step. Time to accomplish this process was something we did have available to us earlier. But now it must be asserted that in the past years of perestroika, we have made practically no headway from directive planning to the market, and equally so to indicative planning or to some other new, as yet unknown forms of it, called upon to replace the plan-order and the plan-directive. I doubt that even those who are directly managing the economy have any clear ideas about an efficient, stage-by-stage program for such a transition, with realistic goals at each stage.

But in the meantime antimarket sentiments and statements have recently been increasing in numbers. And I am not even referring to those reservations which assert the obvious and undebatable—that under present conditions the market does not preclude a policy of central regulation, that on the contrary it is something which is necessary and which exists in all states. No, what I am

essentially referring to is a new wave of sentiments directed against goods and the marketplace, and even to attempts to frighten the public with the notion that inflation, unemployment and deterioration of the people's living conditions will be unavoidable consequences of developing the market. For example an attempt was made during one important conference to explain accelerating inflation as the result of concessions which have supposedly already been made to market relations, and particularly by introduction of so-called contracted prices on some types of products. In this case the speaker also pointed to examples in Poland and Yugoslavia as countries which had embarked upon the path of developing the marketplace and which stumbled into an inflationary abyss.

Such assertions can confuse the people, especially if they remain unanswered. Even though what is happening here is fully obvious. Market relations have existed for a long time in many countries, long enough to make some justified conclusions. In particular, the market is not itself responsible for inflation any more than the most rigidly centralized planned economy (in the USA, for example, inflation has been held at a lower level than in our country for many years). Inflation is actually generated primarily in our country not by the market but by monopolies and shortages. These were precisely the factors which, following a certain weakening in administrative control over prices, caused growth of inflation in Poland and Yugoslavia, and to some extent in our country as well.

[Yermolayev] But Georgiy Arkadyevich, the "great scare" was generated in the hearts of many of our fellow citizens by means of just the one word "unemployment."

[Arbatov] As far as unemployment is concerned, it is possible even in the absence of a market and of developed commodity-money relations, as we have now learned. This includes obvious, unconcealed unemployment. And all the more so, concealed unemployment, under which wages are paid to "surplus" workers, enormous quantities of unused products are manufactured, and enterprises, kolkhozes and sovkhozes which are unprofitable or which produce basically junk are supported at the society's expense. Panicky references to the threat of unemployment have essentially become attempts to persuade ourselves to delay the changes a little longer, to work in the old way a little longer, with the hope that everything might "still turn out all right." No, it won't. We can now say this with certainty. And delays only make the economic reform that much more difficult and painful. What we need to understand in this case is that we are not at all doomed to catastrophe. Entire production sectors are simply lacking in our country, or they are in embryonic state. And services have fallen behind not decades but entire centuries. Such that there are jobs available for many millions of people.

The second matter in which we need some clarity is the question of ownership. Rejection of private ownership of the implements of production as being the basis for

man's exploitation of man is doubtlessly embodied in Marxist-Leninist theory. I do not wish to debate whether or not this is true. But wouldn't it be worth pondering another problem of fundamental significance in this regard: In the more than 70 years since the victory of the first socialist revolution, have we been able to establish truly public, socialist ownership? We felt that we did, by identifying public ownership, and national ownership as its highest form, with state ownership (with a model of it very specific to our country at that), and at a lower level with kolkhoz ownership, which is essentially also a form of state ownership. Only now have we begun to analyze what's what, and it has become obvious that this state ownership has actually only alienated man even more from the implements of production and raised exploitation higher (such exploitation is higher in our country, and in other socialist countries as well, than in the West).

In the meantime new forms of collectivization have appeared and developed in the foundations of capitalism—stock ownership, leasing, and even purchase of individual enterprises and companies by their laborers and staff. Instead of attentively studying these forms of collectivization, for a long time we engaged in heated debate over them—in particular, we labeled the theory of "joint-stock" or "cooperative" socialism as an attempt to deceive the public. And I am not about to explain how much of the content of each of them is "capitalist," and how much is "socialist" (and anyway, how is this content to be defined, with what yardstick are we to approach it?).

[Yermolayev] But Soviet researchers have not made an effort to really analyze the kind of state ownership which has established itself in our country—for that matter, would they even have been permitted to do so?

[Arbatov] Yes, it seems to me that it would be worth making such an analysis today. Moreover it should be treated as one of our immediate objectives.

State ownership did not do away with the worker's alienation from the implements of production and with exploitation. But who was it that wound up with the alienated part of created value? What social role did the mushrooming administrative and bureaucratic stratum begin to play? Has the right of ownership supplanted the right of disposal of property in the aspect of the possibilities for exploiting someone else's labor? What role has the political superstructure, which has itself grown immeasurably, begun to play under the conditions of total state control, of total nationalization of all things? What influence did the fact that the barriers between the concepts "state," "common" and "public" property and "no one's" property have been erased have on the economy, on the worker, on the work ethic, and on public morality in general? And is it not in the absence of market relations (which were replaced by directives, by "allocations," by "distribution," by "orders," and by other bureaucratic attributes), in the omnipotence of the "distributors" (and not the real owners, the real masters) that the actual roots of the "shadow economy," which is

of a scale that perhaps places socialism above all other structures, lie? Finally, what is the nature of our planning, how did it happen that we have been unable to fulfill a single five-year plan, how in our efforts at total planning did we deform the structure of our entire economy, and create such a major imbalance in it?

All of these questions await their answers. We must ultimately come to understand what sort of economy we have created, and carry out fundamental, honest and even merciless (assuming we are capable of mercy on ourselves and on our own people) research on the existing economic model. As we adopt important or, let me say, even arch-important decisions on property ownership, we must really analyze all of this, come to understand it all, and dispel the myths, so as not to become frightened by loud talk and not to once again become victims of demagoguery and militant ignorance. This will also help us open the path to "socialization" (not "capitalization" but namely "socialization") of our national economy, to affirm the diverse forms of property ownership that satisfy the interests of the people and the ideals of socialism in place of state-capitalistic and state-feudal forms.

[Yermolayev] I would like to know your opinion on the role of the time factor in the reform.

[Arbatov] I don't want to repeat the obvious—that one of the things that make reform different from revolution is precisely the fact that the former is by the very essence of this concept not a one-time act, but a more or less lengthy process. At the same time it differs from simple evolution in that it presupposes some sort of system of purposeful measures capable of radically altering the state of affairs, and doing so within a limited period of time.

It seems to me that while we remembered the former well, we have forgotten about the latter. The economic reform has existed in the form of a certain sum of ideas and measures for four years already, and now the government is asking another four—until 1993. It may be said that at first we had only the general ideas, and it is only recently that they have acquired a more concrete form. I could agree with this to some extent. But not completely. First of all because even today we are still far from clear about even the fundamental questions—concerning the forms of management in the countryside, concerning property ownership, concerning cooperatives, and others. And secondly, some issues are now even more debatable than two or three years ago. For example issues concerning those same cooperatives, reform of foreign economic activities, the rights of enterprises, and a large number of other things. In a word, giving ourselves too much time would not necessarily be beneficial.

When reforms take too long, they generally go wrong. It would be hard to imagine Lenin succeeding with the NEP had this reform dragged on for four years, and all the more so, eight years. Or that Roosevelt might have

completed his program of reforms, which entered history under the name of the New Deal, had he stretched it over a longer period of time. And what is important here is not simply the fact that history does not set deadlines for politicians attempting to steer their country away from a crisis. There is one other important aspect as well. In one aspect reform is similar to revolution—it affects the significant interests of classes or influential social strata, and in this sense it is always the object and basis of acute struggle. Too slow a pace and a shortage of decisiveness and persistence jeopardize the fate of a reform, since they allow those who are not interested in it, those whom it threatens, to adapt in time to half-measures and to find adequate responses and countermaneuvers to them, thus neutralizing some particular effort or measure. Have we not recently seen many clear, fully obvious examples of this?

[Yermolayev] Georgiy Arkadyevich, what about the "three variants" that are often discussed in this connection?

[Arbatov] I don't find them convincing. On one side they propose that we simply dive head-first into the whirlpool, on the other side they argue for a return to the old ways, and we are supposedly selecting the dependable, moderate course in the middle. But isn't this course actually one of half-measures, of marching in place, and still worse, one taken in the conditions of a deteriorating situation in the national economy? I need not recall Hegel's well known saying that what lies between two extremes as a rule is not the truth but a problem. And half-measures and marching in place are also an unacceptable extreme, one just as dangerous as economic adventurism. The path of radical, consistent reforms should be solid and not adventuristic. But of course, this path begins when the economic leadership makes its final choices in regard to all of the main issues—agriculture, property ownership, monopolism, cooperation, the status of enterprises, the fate of the ministries, and others. And "consensus," universal agreement, nationwide discussion and even the referendum are, it seems to me, unreliable and even ill-suited methods in issues concerning the economy and economic reforms. The interests that are always affected in the economy are so varied, so contradictory that this would be unimaginable. Moreover the problems are sometimes extremely complex. And added to all of this is the action of the time factor: It is better to have no reform at all than a late reform.

Another approach, another method appears more sensible—granting, after the necessary discussion of the problems of the economy and the paths of their solution, sufficiently broad powers to the government (or the president) so that they might assume and bear the full responsibility for their program, their own plan (I have referred in this connection at the Congress of USSR People's Deputies to the "Ryzhkov plan," on analogy with the "Monnet plan" or the "Erhard plan").



[Yermolayev] But your proposal at the Second Congress of People's Deputies was not supported—it was even met with bayonets. And some of the speakers accused you of evading responsibility and trying to assume a "comfortable position."

[Arbatov] I'm not sorry for what I said—it was beneficial at least in that it elicited discussion of the personal responsibility of the administration for a particular program of economic measures. And as that same discussion showed, "comfort" belongs not to them who voice criticism but to them who safely hide behind parliamentary approval and now refer to their program as a "whole people's" program. It's an old log-rolling trick.

Returning to the topic of reform, I would like to say that its slow pace and the uncertainties concerning a number of fundamentally important issues cannot but elicit alarm. It is in this, it seems to me, that one of the causes of the difficulties we are currently experiencing lies.

But this is not the only cause. From the standpoint of present difficulties, of the fact that there is no way we can stop the fall, the national economy's backward slide, another perhaps even more important cause attracts attention: loss of the economy's control. While the significance of the reform may be enormous, we don't need a law on ownership, or a law on land, in order to solve the classical problem of the arithmetic textbooks: delivering finished goods from point "A" to point "B" in time. And no explanations besides loss of the economy's control can be accepted. All the more so, it seems, because a plan exists, and we should be able to predict, at least over the span of a quarter, that somewhere there will be a shortage of rail cars or trucks, or of storage space, and postpone purchase of certain goods abroad or stop their production here at home (which in both cases would safeguard us against the freezing of enormous amounts of capital, energy, raw materials, materialized labor and so on). It is now already the second year that the same thing is preventing us from seriously dealing with the sphere of distribution, particularly with trade, where a large part of what we produce, including the scarcest products, disappears as if into a "black hole," and from halting the decline of the urban economy "from Moscow to the farthest frontiers." And putting Aeroflot in order. And providing the country with disposable syringes. And solving many other elementary but very important problems.

It seems to me that adequate significance is not being attached in our discussions today to this side of the matter—efficiency, professionalism, the elementary ability to manage the economy. In the meantime were the most reasonable economic mechanism to be put into play, so as to provide the necessary freedom to market forces and to commodity and money relations, administrative improvements and the art of management would play an enormous role, creating a watershed in all things

between victory and defeat, between progress and bankruptcy. Numerous examples of this can be found in the experience of any Western country.

The economic conditions in which firms operate there seem to be identical, but still, even giants not only possessing world fame but also a sizable strength reserve find themselves on the brink of failure (which is when they change leadership), or they suffer failure and are bought up by other firms, at which time they also receive a new leadership. Within my memory all three automobile giants of the USA—Ford, Chrysler (its rebirth is associated with the coming to power of Iacocca, who has become almost a national hero) and General Motors—the aerospace concern Lockheed, and many others have all successively been through hard times.

In a word, management is an important factor of success even in the presence of a perfected economic mechanism. This is all the more valid in a national economy in which economic mechanisms operate poorly, such as in ours. We know from the example of the best kolkhozes and plants that even in difficult conditions, there are some things that can still be accomplished. Including at levels higher than the enterprise or the kolkhoz. But the deviation from the "prescribed average" of the existing economic model may be both in the positive and in the negative direction.

[Yermolayev] Unfortunately we did receive an opportunity to persuade ourselves of this recently. The national economy's administrative system has entered a period of obvious increasing powerlessness and helplessness.

[Arbatov] This is a serious matter, an alarming one. But in expressing this alarm, I do not wish to be taken as a pessimist. I speak more openly of these serious problems because I have faith in their solution, in the possibility for surmounting the crisis which our society is presently experiencing. First of all it is time for us to start maintaining a healthy and sensible attitude toward the concept itself of a crisis. It is of course something unpleasant, but it is not disaster, and it is not death. As with disease, it is a phase of a process, one which leads to recovery if the necessary steps are taken. We emerge from crisis into renewal, having pruned the dead branches, and freed ourselves of the ballast, of everything unnecessary. This is the role played as a rule by crisis in the economic cycle of development of a capitalist economy. And I see no reason why it shouldn't play the same role in our system.

In precisely the same way I do not see disaster in the fact that we are having to reject the economic (and not only the economic) model which we created and followed for many decades. Capitalism also had to reject its former classical model of the 19th century, which was analyzed in detail by Karl Marx, and make it through a difficult, painful course of "perestroyka." This revealed itself in its most obvious form in the history of the USA, where the New Deal charted by President F. Roosevelt, who came to power at the worst moment of the most serious

crisis in the history of capitalism in 1929-1932, was precisely what played the role of such perestroika.

At that time, in his first inaugural address following his election victory, Roosevelt turned to the Americans with those famous words: We have nothing to fear as much as fear itself. I think that this appeal could be directed at ourselves in significant measure today. Given the great abundance of complex problems, given all of the difficulties we are enduring, we cannot forget that we are an enormous, wealthy country with progressive science and culture, with a well-skilled work force, and moreover, a country with enormous reserves. These reserves lie in restoring elementary order, so that we might sharply limit capital construction and the number of "never-ending" construction projects, stop wasting resources on clearly useless things, produce less of products no one needs, and reduce losses at least to acceptable proportions. These reserves can be found in capitalizing on the extremely favorable international situation, which was created by our efforts to a significant degree, and which allows us to sharply reduce the as yet absurdly high military expenditures, and compel war industry and military science to serve the economy's development and growth of the people's standard of living. And to utilize the advantages offered by cooperation with other countries and by international division of labor in order to solve the problems facing the country. Finally, reserves exist in the use of the many talented, resourceful people longing to do some real work, people who are only waiting for the opportunity to make use of their capabilities, including their entrepreneurial capabilities, which are just as valuable to any society, including ours, as the talent of a scientist or a writer.

[Yermolayev] The opinion is now widely held that in the course of the economic reforms, the population and the broad strata of laborers will unavoidably have to suffer new sacrifices, that "things will get worse before they get better."

[Arbatov] I am bewildered by this line of thinking, and I disagree with it. Not only because things cannot get much worse. It seems to me that since the first postwar years the food situation and the situation in the consumer market in general has never been so tense, and inflation and uncertainty in the ruble and in the economy of "tomorrow" in general has never been so obvious. I simply can't understand the logic that says that in reestablishing elementary economic order in a country that is generally wealthy and has everything necessary for its development, things should first get worse. I am unable to grasp the reasons why such a sequence of events would be unavoidable, assuming that we do not feel it necessary to cause the economy's control to collapse completely before gathering our resolve to turn the situation around.

It all depends on whether or not the economy is managed competently in the course of its reform, and on the thoughtfulness and grounds of the reforms themselves. Sufficiently radical changes in the forms and methods of

management will require an absolutely realistic assessment of the difficulties faced by the economy in its present situation. We can no longer hide from the truth, from what our more than 70 years of experience, the historical experience of other socialist countries and even our own experience of recent years shows. But if we seek after the truth and not permit ourselves to put on ideological blinders and confuse ourselves with prejudices and demagoguery, there would be simply nothing that would hinder successful solution of the economic problems arising before the country.

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### Commission Head on Current Tensions, Future Prospects for Reforms

904A0417A Novosibirsk *EKONOMIKA I ORGANIZATSIYA PROMYSHLENNOGO PROIZVODSTVA (EKO)* in Russian No 5, May 90 pp 33-46

[Interview with E.Y. Vilkas, member of the Lithuanian SSR Academy of Sciences, by L. Shcherbakova: "Economic Jargon and Dogmatic Economy"; first paragraph is EKO introduction]

[Text] Conversation with E.Y. Vilkas, chairman of the Commission of the Council of Nationalities of the USSR Supreme Soviet on questions in the social and economic development of the union and autonomous republics, autonomous oblasts and okrugs.

[Shcherbakova] Eduardas Yono, you were educated as a mathematician. For a time, you were deputy director of the Institute of Mathematics and Cybernetics in Vilnius. But now all of a sudden you have involved yourself in economics. Why?

[Vilkas] In the first place, in mathematics I dealt with the theory of games and the mathematical theory of conflicts and compromises. I then switched over to mathematical economics, utilizing the theory of games as an ideological discipline. Beyond that, I worked in the area of decision-making theory—group decisions, vector optimization.... It is very important to utilize all of these directions of mathematics in economics. Throughout the world, mathematical economics is a synonym of theoretical economics. There is no separate political economics of the sort that bore the theoretical load here. As you see, my "changeover" was logical. In 1985 (I do not remember exactly whether it was prior to our era or after it), the new president of the Lithuanian Academy of Sciences, understanding that the Economics Institute was very weak, as, by the way, were almost all of the country's economic institutes at that time, offered me the position of director of this institute. I did not refuse. In principle, the decision was correct. I, of course, have in mind not my own candidacy but the fact that economic science was headed by a mathematician. At that time, only the boldest people talked about new theories

in economics. But this decision introduced mathematical methods into economic science and it became more like a science.

Perestroika began in the country shortly after my appointment. For a long time (a year or a year and a half), to be sure, I propagandized the market in Lithuania almost alone. And there were not many such economists in the Union either. My first "economic-mathematical" model had to do with the fact that if prices are out of equilibrium, that is, prices in which there are shortages, then it is possible to achieve more through their simple change, leaving resources and expenditures as before. If prices change, the distribution system will change. We are losing 10 to 20 billion rubles annually merely because the system of price-setting is so imperfect.

And after the 19th Party Conference, I delved into economic activity. By the way, it was only in part scientific, being more publicistic and political. That is how I ended up here, in the Supreme Soviet.

[Shcherbakova] It is generally recognized that our economy is excessively politicized. What, in your view, needs to be done to harmonize the interaction of the economy and politics?

[Vilkas] I think that this process is already underway. In the first place, we are all renouncing different dogmas. This removes economic theory from the realm of ideology. Of course ideology always influences the economy but it must be minimal. Yes, in discussing the budget, it is necessary to listen to political considerations and to carry out a certain policy through it. But there can be no ideology in questions of the determination of the economic mechanism.

In the economic system, there are consumers who have preferences and their own budget and there are producers having certain production capacities and opportunities. And that is all. This is the physical basis of the economy. On the one hand, these would appear to be technological things but how clearly the preferences of consumers appear in such a "scheme"! The mechanism in which production is realized in the best way taking into account these considerations has nothing to do with ideology.

[Shcherbakova] Here in the country, there is more and more talk about establishing a market but a socialist market. The appropriate institute has already been established in the system of the Academy of Sciences. Is this not the ideologization of the economic mechanism?

[Vilkas] These conversations are becoming simply unbearable. Either there is a market or there is not. What does socialism have to do with it? The market is a technology for the distribution of everything. It may, of course, have a Soviet origin but it does not have an ideological taste.

[Shcherbakova] Yes, Eduardas Yono, we just cannot get away from this error, this voluntary imprisonment. We can recall conversations about competition in a socialist manner.... In my opinion, it was called socialist competitiveness to distinguish between "their" existing and our projected competition....

[Vilkas] Those old dogmas are preventing us from changing over to the normal economic language used throughout the world. We are still using our own jargon, which, by the way, is very difficult to translate into the world economic language. I know this from my own experience. Ideology must be completely separated from economics. Much is now being said about the Swedish "model of socialism," the Austrian, etc. What specifically are the ideals of Western social democracy? There are four positions that are completely suited for us as well:

**Economic liberalism.** It is clear there cannot be a really efficient economy without the freedom of economic action of citizens—to be engaged in a business alone, in a cooperative, etc. Choose your own path in the economy depending upon your own capabilities, character traits and inclinations.

[Shcherbakova] Only within the limits of the law....

[Vilkas] Yes, but the laws must permit significant economic liberties.

**Effective social guarantees.** There are no good guarantees without a good economy. You can guarantee something today but at a very low level. The result is an impoverished socialism.

**Democracy and observance of human rights.**

**A national identity in the sense of common traditions, culture and that which is valuable for a nation and constitutes its essence.**

This is the kind of socialism that I like. We are discussing socialism in old terms, when, on the one hand, we cannot give up the principle of the dictatorship of the proletariat and, on the other hand, we realize that it is hopelessly obsolete. We seem to understand that it is necessary to renounce it but we cannot do it. But this must take place and the sooner we make up our minds, the better it will be for the economy.

[Shcherbakova] Eduardas Yono, an article by Ed Hewett, a Sovietologist from the Brookings Institute in Washington, was published in the sixth and seventh issues of EKO for 1989. In the article, he speaks about alternatives for our tomorrow. Allow me to present a small excerpt from it.

"Success." Under this scenario, everything moves along as though planned. Reforms proceed quickly and quality and efficiency increase continually. The growth in national income accelerates along with the increase in efficiency, because enterprises rid themselves of unneeded equipment, and capital investments go for the



acquisition of new high-quality machinery, which also raises efficiency. Under the "Success" scenario, the USSR will not be able to compete with Japan and the United States in the automotive and electronics markets at the beginning of the 21st century but it will nevertheless raise its competitiveness significantly. Many new stores will appear that will offer high-quality goods and services and there will be an improvement of the food supply. The housing problem will begin to abate.

"High rates of growth." Under this scenario, the rate of growth of national income approximately corresponds to that announced for the end of this century: four percent in the second half of the 1980's and five percent in the 1990's. Productivity increases rapidly, this being implied by the rapid rate of growth of national income, for there probably will not be an additional inflow of labor and capital. But the quality of output and services does not improve substantially. New stores are still the exception and on their shelves is a mixture of imports (primarily from Eastern Europe) and some Soviet innovations. The housing situation improves.

"High quality." This scenario is the reverse of the second: the growth indicators are not high but the qualitative changes paint a more favorable picture. Inasmuch as the qualitative improvements are not accompanied by a real improvement of efficiency, the rate of growth of national income is low. The situation can be viewed as a "militarization" of the civilian economy, in which the civilian branches are more similar to military branches, producing quality output but at a higher price. In this scenario, a network of new stores will appear before the end of the 1980's but because of the prices the population will have limited access to the new goods. The food supply will improve but again at high prices. Those having a high income will be able to afford new housing of a higher quality but most will be satisfied with state apartments.

"Failure." Under this scenario, either there will be no reforms at all or they will first be introduced and then cut back. The decline in growth rates will be resumed. There is no noticeable improvement in the quality of goods and services. There are very few or no new stores and the number of new goods is quite insignificant. The prices are high and are increasing, because labor productivity is low. The standard of living of some groups of the population may decline.

Soviet perestroika has been in effect for five years. We can summarize some results. Which of these four scenarios, in your opinion, is most probable? Or do you have your own, fifth scenario?

[Vilkas] Nothing takes place quickly in the economy, especially since we have been knocked down hard. Although it must be said that the crisis is really not so terrible. We talk a lot about the disruption of finances. Of course there is inflation but it is not high at all, being very far from record levels (1,000 percent). But we have other troubles that are significantly more difficult to

overcome. Despite all the positive processes that are taking place in the consciousness of the society, there is a great inertia of thought, and rather backward at that. I do not think that the first version is for us.

The second version will not come about in its pure form. High rates of growth "were" for show in the recent past, when Gosplan dominated the economy. Now everyone understands that the rate of growth does not do anything for us. We need bread, sugar, housing, etc. Although attempts to speed up the economy with the help of state orders and different state programs are not disappearing from our management arsenal, the reaction to this has been sluggish.

I consider the third and fourth versions to be the most likely and reasonable. I think that there will be a balance drawn between them. High quality, differentiation and, at the same time, constant and certain growth. Not with huge steps but dependable and healthy growth. And areas of failure. For both quality and growth to become a reality, we must orient ourselves more rapidly to initiative and free prices and try to achieve the best results on this basis. But this is possible only when people do good work, including organizational work. But in business (you cannot get away from it!) the one who works successfully earns a great deal. For this reason, there will be differentiation. If we are not afraid of it and if we do not frighten those who begin to earn a lot, then they will not hide their money in a sock in fear of confiscation but will invest it in production. We will receive an effect. One must remember that those people who earn much are striving for themselves but they never use everything themselves. A part of their wealth goes to the society. This can be proven theoretically and on the basis of a practical analysis. All climb out this way! Then, of course, we will achieve a more complete and mature economic order. At the beginning of the way, however, it must be clear to everyone how his interest works. Then he will earn for the benefit of the economy.

So this, in my view, must be our path.

At the present time, however, there is increasing pressure on the government from different social groups and it again wants to regulate everything in our economy: let us forbid this activity, this income.... You understand what I am talking about. There is recent practice in this direction. Well, here you have the most reliable way back to our impoverished economy. The danger is real and increasing all the time. Our world experience shows that economic reforms fail precisely because of the good intentions in the interests of the society (this is sure to be explained by its interests) to move to the regulation of one process and then another. And then it turns out that everything is regulated and one cannot expect anything good.

It seems to me that the government and economists already understand the danger of this path but the society does not. Until now our citizens have been held prisoner by a mirage, thinking that it is only necessary to

put pressure on the government for it to give them benefits. But then it is necessary to take them away from someone first.

[Shcherbakova] In your view, then, the third scenario of development would be very desirable but we are sliding toward the fourth?

[Vilkas] Yes, but not only. There are attempts, as I already indicated, to hold on to the second scenario. But unless it is combined with the third, it is unstable and a slide to the fourth is inevitable. The third, of course, is not pleasing to the people, who do not want to wait and do not want inequality. And the politicians hesitate to give up what they are accustomed to, still hoping that this will be a version of "Success."

[Shcherbakova] But so that this does not happen, it is necessary to establish an economic environment adequate to the tasks.... Is the Supreme Soviet utilizing its possibilities in this sense?

[Vilkas] It seems to me that there is an understanding of these problems in the Supreme Soviet, although relapses into old dogmas have not been fully eliminated. The situation is seen mostly clearly from an examination of the draft law on property. On the one hand, deputies acknowledge that the key to economic reform is the legalization of all forms of ownership and all forms of the organization of labor. Socialism may have a unique advantage—the possibility of working for itself. On the first anniversary of the revolution, Lenin called this its main result. We know, however, that working for ourselves did not happen here and the individual did not feel that he was in charge. It is clear that he could not feel that he was in charge in the first place because they took away his output and secondly because the means of production did not belong to him. The first led to a distortion of the principle "to each according to his labor" and therefore it became more advantageous not to work but to fight for a place in the distribution system. Because of the second, there was a disruption of the long-term motivation to run the economy well and, in particular, to utilize scientific-technical progress. It would seem that everyone understands this. At the same time, a significant share of deputies are dominated by simplified views of socialism as "capitalism in reverse," of hired labor as exploitation, of trade as speculation, etc. It is very difficult to carry out a campaign against economic illiteracy with the help of a discussion before the television camera, when beyond the camera are such great social problems for which there are no simple solutions.

Or, let us say, another question—on the management of the branches of the national economy. Government representatives, especially of USSR Gosplan, are saying: these are base branches and these are nonbase branches. It is necessary, they say, to keep base branches in the hands of Union administrative bodies, because all the others and the economy of the country as a whole depend

upon them. It makes sense, for example, for metallurgical enterprises to belong to the state in view of the high cost of their fixed capital. But what is the reason for their centralization? Above all it is necessary to decentralize them. In general, the opinion that a region must be interested only in the production of consumer products is the basis for the ideology of a natural economy. In fact, a region or any individual producer must think about what and how he is to produce so as to have good earnings.

But there must be an opportunity to buy everything with the money received. Hence there is still another extremely important task, that of freeing the economy from shortages. Today the motivation for good work and good management of the economy is "choked" by the shortages in the economy. And free prices are needed to eliminate shortages in the economy. Such prices do not exist in a pure form anywhere in world practice. Food is subsidized everywhere, for example, so that people will not save on it and will be well fed. It is important to strive for this. Everyone is talking about the reform of prices but it is necessary to talk about their liberation. It is necessary to have a mechanism for the transition to market prices in equilibrium. This is impossible without granting economic freedoms to citizens, including without giving the producer the right to sell the produced output and to establish contract prices. Only in this way is it possible to guarantee the rights of the individual and the efficiency of the economy and then to be responsible for a high level of social guarantees.

But if we "make" new prices at one stroke, then after of a couple of months we will be forced to decide on still another "stroke," because we will in any case miss the mark.... The market is the only known effective mechanism permitting a transition to equilibrium prices. To be sure, mathematics is familiar with approximate algorithms that make it possible to calculate equilibrium prices that model a market.

It is fantasy to call for balance in the economy without prices through an increase in production. And in our situation, such a provision of balance is a very expensive pleasure. In this connection, I always present one example. Let us suppose that we in a socialist state get the idea of having cheap gold—at the price of iron, for example. Everyone will use gold to fence his garden. The entire society will begin to produce gold so that it is not in short supply. It is clear that nothing good can come of this. But the picture with other products is analogous. Prices should be regulated only as an exception, for half a year at most. Then do not touch them for a year or two and after that one can freeze them again for a few months. One must allow the economy to straighten itself out. People will object that the freeing of prices will lead to inflation. Yes, it will. But nothing will happen without it. In the final analysis, all other means are much more expensive. Besides that, in my view, there are ways to hold inflation within the limits of 50 to 70 percent.

[Shcherbakova] Yes, but the latest decision of the Supreme Soviet on the freezing of wages and prices can hardly be called progressive and in accordance with the ideas of economic reform....

As I understood it, this is in contrast to the assertion that in the first 2 years of perestroika, now long past, each Soviet family was supposed to feel some economic relief. Do you think that we have a difficult life ahead of us, that it will be necessary to tighten our belts or establish the conditions for each person to be employed in free commercial economic activity....

[Vilkas] Both: establish these conditions and tighten our belts. The height of economic policy would be the establishment of conditions under which many would tighten their belts voluntarily and would willingly exert themselves for work.

[Shcherbakova] It is apparent that this period will last a long time even under the carrying out of the "Quality" scenario?

[Vilkas] I do not know what level we can achieve by the end of the millenium—perhaps that of Brazil or Mexico....

[Shcherbakova] Why do such unrealistic forecasts arise? Is there no courage to explain the real situation to the people?

[Vilkas] I think that the courage exists but there is no clear understanding of the state of the economy. All of this is from uncertainty in forecasting. The country's leadership needed three years of perestroika to get used to the idea of the market. That is three lost years! This was simply marking time. They made this monster of agroprom and other things.... This is how we occupied ourselves! There was no understanding of where we are going and what we need to do. Now it seems that it is emerging. But there are still hardly any people who understand that the success of the economic reform can be measured by how close we have come to the market.

[Shcherbakova] One can hardly agree with you unconditionally. The success of the reform is clearly in the achievement of social and economic results.

[Vilkas] But the way to this is through the market!

[Shcherbakova] So far, however, we have not so much been approaching it as moving away from it.

[Vilkas] Not in all areas! Before establishing a concept of republic cost accounting, we in Lithuania spent a very long time resolving precisely this question. It was the most difficult one. How to move from the present situation to a market economy? It is clear that if prices are let loose, they will rise sharply because of the large mass of available money until the money is taken out of circulation. Many countries took this path. Another way is not to release prices and to try to saturate the market, as we did for 70 years. It is possible, of course, to saturate the market temporarily by means of purchases

through foreign exchange. Basically, however, this will hardly help. In tiny Lithuania, it can be done one way or another but in such a huge country as the USSR it is simply impossible to manage everything. This is a very great risk. We did not think of anything better than fixing the state of all of today's plans, gradually reducing the compulsory figures for all branches and products—by 10 percent a year, for example—and releasing the freed output and resources at free prices. But all manufactured products must be present in this market. Reduce the plan the next year by another 10 to 20 percent, etc. In so doing, obtaining information on real prices in the free market, it is possible to correct the state prices. In this way, a reform of the prices in the entire economy can be carried out in 3 or 4 years. But the way we are doing it now, adopting the law on price control, success cannot be achieved. You are right.

[Shcherbakova] Do you consider the debates on Article 6 of the constitution, which provides for the leading role of the party in the society, to be fundamentally important?

[Vilkas] I think that this thesis is almost no longer valid. And previously this was basically expressed in the fact that the party had the right of control. I do not know whether it has such a right at enterprises today....

[Shcherbakova] So far there have been no practical changes.

[Vilkas] Article 6 has since been abolished in Lithuania. Heretofore there was no one else to lead and the party was alone. I cannot judge whether the situation will change very quickly. There are already three or four new parties in Lithuania. They are still small and are not likely to grow rapidly. It is not a simple matter to acquire an organizational structure and enter into political life. If the Communist Party were to be disbanded and then unite in different parties in accordance with views and interests, several parties of equal strength would appear. So far this question is being resolved through fronts and informal movements.

[Shcherbakova] There is a firm conviction in the society that much in the economy will depend upon whether the Supreme Soviet and Congress of People's Deputies will be able to manifest their authoritative functions in relation to the Council of Ministers. How do things stand? I, for example, know that even now there are legally binding acts, letters of instruction, etc.

[Vilkas] No, I think that the Supreme Soviet is in control. The Council of Ministers, of course, recognizes the Supreme Soviet. The dependency of the Council of Ministers, in my view, is even too great, especially in details. We are resolving precisely those things that legislators are not supposed to resolve. I do not like the tendency to shift many government problems to the Supreme Soviet: negotiate with the miners and cooperative members, etc. The government must have the possibility to act independently within the scope of the laws. Only then will it have responsibility for the state of



affairs. Today the Supreme Soviet is aggressive in relation to the government but the government knows how to manipulate it. I simply did not know about the legally binding acts. You see that one senses an alienation from life.

[Shcherbakova] You rely on the staff of the Supreme Soviet in your work. How are your mutual relations?

[Vilkas] So far I cannot complain. We are now in contact with one individual and soon there will be two or three more. The apparatus is necessary, especially since there are almost no specialists in the commission. There are just four economists, of whom two do practically no work. So it is just myself and my deputy.

I think that after the haste about passing a lot of laws is over and we start to work normally, there will be more time for associating with specialists. Independent expertise must be comprehensive. I am counting on academic institutes and VUZ's independent of Gosplan and other central economic departments.

[Shcherbakova] Eduardas Yono, when you became chairman of the commission, did you find out for yourself anything new and unexpected about the position and socioeconomic development of the union and autonomous republics?

[Vilkas] No, so far nothing.

[Shcherbakova] There is the opinion that it was primarily economic disputes that led to the explosion of interethnic conflicts. Do you share this opinion?

[Vilkas] Also economic but not exclusively. There was much that was unacceptable in the national relations and national policy itself. The theory of the merging of nations and national languages and the formation of some sort of Soviet nation—all of this had a negative impact. To exaggerate just a little, folk dances were all that is left of the national element. The deeper things were ignored. Of course all the peoples suffered from Stalinism but it came to us from outside, already formed in its most terrible appearance, along with the Russian language. The simple people who returned from Siberia do not hold a grudge against the Russian people but this does not help friendship. All of these problems, including the loss of independence, have now become more acute. I have in mind the Baltic republics. There are other problems in the south of the country. But all of this must be resolved on the basis of the principle of self-determination only. Whatever new content you fill the federation with, without self-determination we will not obtain anything different from the previous situation.

I dealt for a rather long time with the procedures for the making of decisions and I am certain that there are many ways to resolve this problem. We say that the republics must have equal rights. What does this mean? To have an equal number of votes is one variant and the right of the veto is another kind of equality.... One must

approach the resolution of complex problems from scientific positions, having studied the procedures for making decisions and the rules for voting in the countries of the common European market. There the questions are divided: some decisions are made only on the basis of a consensus (unanimously, with no one against), others by two-thirds and minor procedural questions by a majority. This is how a voluntary association is set up, with the help of which each nation can realize its own opportunities better than without it. If it does not see such a possibility, then it can be kept in this association only by force.

[Shcherbakova] You have a very complex commission, inasmuch as its members personally experience the entire gravity of the interethnic conflicts, including the conflicts in autonomous republics and oblasts....

[Vilkas] Ours is perhaps the most multinational commission. Here is the largest number of deputies from autonomies at different levels. They constitute more than half of them. This has an effect on the work. The problem of autonomies, in my view, will soon become the dominant problem. But we have not yet dealt with this question. We are collecting material. The problem is very complex. There are not yet any approaches to its resolution. It is clear that it is first necessary to guarantee cultural and economic autonomy and rights to own land and natural resources. The state structure must be determined together with the resolution of the analogous problem for the Union as a whole. These things cannot be resolved in little pieces.

[Shcherbakova] Eduardas Yono, you and I are talking immediately after the passage of the Law on the Economic Independence of the Baltic Republics. Are you very tired? Is there a sense of satisfaction from this new kind of work?

[Vilkas] Yes, recent weeks have been very enervating. I do feel tired. There is a sense of a fulfilled duty, of course, but still, this work is not for me. I am drawn home and to science. I can do this also but science is more interesting for me and my new position is too costly for the society, because I can deal with things that others cannot. There will be a rotation, it being necessary for other specialists to come to the commission. Otherwise the system will begin to do what is advantageous to it.

[Shcherbakova] EKO wishes success to your extremely important and complex commission in the work for our common good! Until our next meeting in the pages of our journal.

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**Program to Reduce State Monopoly in Production Outlined**

904A0402A Moscow

MATERIALNO-TEKHNIЧЕСКОЕ

SNABZHENIYE in Russian No 5, May 90 pp 30-36

[Unsigned article: "A Program for Developing Competition and Counteracting Monopoly in the Country's Economy"]

[Text] Today we conclude the publication of the materials developed by the initiative group of scientists and practical workers (the draft USSR Law entitled "On Developing Competition and Restricting Monopolistic Activity," MATERIALNO-TEKHNIЧЕСКОЕ SNABZHENIYE, No 4, 1990). It is clear that without the inclusion of an anti-monopoly mechanism as rapidly as possible economic reform will choke. One can agree or not agree with the viewpoint of the initiative group, but their drafts are the first signs. For the first time a serious attempt has been undertaken to curb the appetites of the monopolistic structures in the domestic economy.

A special feature of the Soviet economy is the unprecedented level for developed countries of the concentration of production, distribution and administration and, as a consequence, of their monopolization. According to USSR State Committee for Statistics data in machine-building alone there are 166 monopolist enterprises and 160 monopoly production units, based on the 1988 report. More than one-third of the most important types of machine-building products are produced in a single enterprise and approximately as many in two. For the machine-building, metallurgical and wood chemistry complexes and the production of household appliances as a whole, out of the 239 most important types of products covered by the USSR State Committee for Statistics more than 80 percent of the production of 82 of them (34 percent) is concentrated at a single enterprise and that of 87 (36 percent)—at two.

According to the estimate of USSR Gosstat the relative share of monopoly production in the machine-building complex amounts to 80 percent with respect to the volume of production and 77 percent with respect to the number of enterprises.

The unfavorable industry production structure which has developed is the consequence of the policy which was carried out for a long time of creating giant enterprises and of narrow specialization calling for the concentration of the production of a given type of output in one or two enterprises.

The basis of these processes is the nationalization of the economy, when the state, as proprietor and the subject of economic management, turns into an absolute monopolist. In this role it also takes economic decisions which are not efficient and are not tested by the competition of alternative versions. Therefore one of the initial premises of demonopolization is the denationalization of the economy and the formation of a non-state sector that

is equal before the law and competitive. Economic and legal mechanisms that ensure the mobility of capital and the possibility of its transfer will be required. In this connection there is a need for joint-stock company legislation and a revision of the legislative acts which define the social status and material security of executives, specialists and workers, having in mind the creation of equal conditions for the application of labor regardless of relationship to an artificial category of positions and enterprises.

A second route for demonopolization is the breaking-up of economic structures and their deconcentration. Moreover, deconcentration should not be reduced just to organizational measures, that is, to the problem of the dimensions of an enterprise. The process of deconcentration has a socio-economic character, based on the variety of forms of ownership and providing for a choice of breakup variants depending on market efficiency criteria, on the social and political factors determining the expression of the will of the labor collectives, and on the degree of maturity of production democracy and self-management. Thus, from the organizational aspect the problem lies in developing a broad network of medium and small enterprises. From the economic aspect the question is one of the social forms of this process: in the state sector—the organization of diverse lease forms and joint-stock enterprises; in the non-state sector—the conversion of economic units to a regime of cooperative ownership, private-enterprise activity and mixed forms, specifically joint enterprises.

The protracted stagnation of the Soviet economy and the low competitiveness of the majority of the types of our products on the world market and the increasing lag in technical development which is causing acute unrest is closely linked with the high level of monopolism which excludes the possibility of competition among producers. Super-monopolism negatively influences the quality of output, the development of scientific and technical progress, delivery discipline, the rates of modernization of the output being produced and, in the end, leads to enormous losses in the consumer sectors.

The combination of monopoly practice in the field of budgetary policy and financing, the emission and credit activity of the banks and of price formation with the monopoly dictate of supplier departments and producer enterprises foreordained the financial crisis and its subsequent extreme exacerbation, the uncontrolled emission and supply of money, and the steady and incremental increase in prices. All this is evidence that monopolism constitutes the deep-seated basis and direct cause of inflation in the domestic economy.

Under conditions of the dismantling of the administrative-command system without the simultaneous and timely modernization of the economic mechanism and the legislative regulation of business interrelations, expansion of the independence of enterprises and organizations has led to a further strengthening of monopoly

tendencies. This is especially manifested in the conducting of contract campaigns and is expressed in groundless refusals to conclude contracts, the overstating of prices and demands for exchanges in kind (the expression "industrial racket" has appeared). The process of replacing certain types of monopoly organizational structures (ministries, main administrations, all-union production associations) with others (associations, intersectoral state associations, concerns) is gathering strength.

The need to develop and implement a set of legislative measures to overcome all types of monopolism in the country's national economy is urgent.

#### The First Stage (1990-1992)

Within the framework of this stage the year 1990 should be its own kind of preparatory period, the essence of which consists in the implementation of a set of measures to prepare the economic, political, legal and psychological conditions for the introduction of the Law "On Developing Competition..." and for developing a system of anti-monopoly regulation and adequate state and public institutions.

Measures directed to achieving a current relative balancing of supply and demand in the market for producer goods and the consumer market on the basis of a government program to improve the economy are especially important in 1990 for bringing a market into being.

A distinctive demonopolization ideology needs to be developed. Since considerable space is being given to deconcentration, it is important to take into account the experience of the past and to avoid the exaggerations and formal and unoriginal decisions that took place during the formation of associations. This will require: a special block of programs encompassing the scientific and organizational support with the singling-out of a cycle of scientific research sub-programs on the appropriate problems; the conducting of a one-time survey of the proposed objects to be broken up into smaller units; and a systematization of these objects.

Criteria for the classification of groups and individual objects which define the advisability and forms of the breakup and its stages have to be determined.

The adoption of laws which not only create the legislative foundation of the reform but also ensure the conditions and prerequisites for the introduction of anti-monopoly legislation is already under way.

This fully applies also to existing normative documents (the Railroads Charter, the Regulations on Deliveries of Industrial Engineering Products and Consumers Goods, the Rules on the Contract Agreement in Capital Construction, etc.), whose content does not fully meet the requirements of anti-monopoly legislation, in connection with which the documents in question are in need of revision.

One may also refer here to laws whose adoption for the present is not envisaged, but for which the need might arise (laws on entrepreneurial activity, on small and medium enterprises, on the protection of consumer's rights, etc.).

It is especially important in 1990 to lay the foundations for regulating the interrelations between the center, on the one hand, and the republics and regions on the other as well as between individual republics and regions in connection with the emergence and exacerbation of a new form of monopolism (national-republic and regional).

Thus, the necessary base conditions for the introduction of anti-monopoly legislation will be created by 1991. Institutions for anti-monopoly regulation and for the encouragement of competition and entrepreneurship will be formed at the same time. The USSR Anti-Monopoly Committee being formed by the USSR Supreme Soviet should become the basic one among them.

With the achievement of the necessary base conditions and the introduction of the Law "On Developing Competition..." one must in the period from 1991 through 1992 proceed to the first-priority measures envisaged by the program with respect to de-monopolization in coordination with the overall course of the reform and with the legislatively defined rights of the enterprises and regions.

In carrying out the breakup of monopolist associations on the basis of a survey conducted, the criteria worked out and the legislative procedure for taking decisions, both compulsory breakup and initiative breakup may be utilized. The basis of compulsory breakup is the liquidation of the existing association (enterprise) as a juridical person and the creation on its base of several new independent enterprises through its organizational division; initiative breakup is carried out on the initiative of the enterprise itself or of an initiative group of one of its structural subdivisions which previously was an independent enterprise.

The question of breaking up production and scientific production associations (enterprises) with weak technical links as well as of associations constituting a system of horizontal intergration where the production of the output in question does not represent a single continuous technological cycle should be first. It is advisable to proceed not simply from a formal division of the associations and enterprises but from the need to create several competitive economic units in a given market.

In the breakup one should make use of opportunities to convert individual subdivisions to lease or cooperative principles on a contest basis.

A network of small and medium enterprises needs to be developed. A governmental agency representing the interests of small and medium enterprises (including information servicing and foreign-economic activity)



needs to be created on the basis of the experience of the leading industrial countries.

All possible organizational, financial and resource support for small and medium enterprises should be provided, irrespective of the forms of ownership and spheres of activity which form their foundation. Help will be given them on an economic accountability basis through commodity exchanges, the territorial organs of USSR Gosstab and other intermediary organizations.

Small and medium enterprises can be created through the breaking-up of monopoly production units and the separation of individual production blocks from the structure of enterprises with multiple specialities.

Branch enterprises are to be organized on the initiative of large associations and plants.

The capacities of underutilized and mothballed enterprises are to be used. Local authorities are to be given the right to conduct auctions and public sales for the leasing and for the sale of bankrupt and idle enterprises.

It is important to provide legislative possibilities for capital transfer (the law on joint-stock activity) through a capital market (shares, bonds) to establish sources of financing for small and medium enterprises.

State capital investments policy should have a clearly defined anti-monopoly direction. In the first stages of the reform centralized capital investments are to be directed primarily to new construction and the reconstruction of small and medium enterprises. The allocation of centralized capital investments to monopolist enterprises can be allowed only in cases where they carry out production diversification. Later on state capital investments are to be allocated only for a narrow range of government orders issued in the form of contracts and placed on a competitive basis.

The economic power and command-administrative functions of the central organs of state administration will be gradually constricted. The functions of a leaseholder are to be assigned to the local Soviets of people's deputies and a unified procedure for determining rent as applied to spheres of activity is to be worked out.

USSR Gosplan and the branch ministries are to become organs of strategic planning or to relinquish functions of day-to-day production control. The sphere of direct distribution of resources is to shrink and commercial principles in the work of the enterprises and organizations of the USSR Gosstab system are to be broadly developed.

**Functions of the distribution of all types of normed material resources in coordination with state order, export and import volumes and resource conservation targets are to be concentrated in USSR Gosstab, which must ensure the creation of conditions promoting the subsequent development and formation of a producer goods market. The proposed scheme will permit removal of USSR Gosplan and the branch ministries from the sphere of day-to-day**

**management and material-technical supplying of the activity of enterprises, which will permit the latter to leave the structure of the ministries without hindrance, thereby undermining branch monopolism. Concentration of all the factors influencing material balances under the jurisdiction of USSR Gosstab will permit it to purposefully move out of the sphere of normed resource distribution into the sphere of free trade and thereby to contribute to the expansion of market relationships\*.** (\*The conclusions of this paragraph were not supported by all members of the group.)

The process of deconcentrating economic power will be under the control of the USSR Anti-Monopoly Committee. Restoration of ministries in the form of economic associations and the formation of branch concerns based on the principle of horizontal integration is not to be tolerated. Reorganization of the system of managing the national economy ought, specifically, to involve: rejection of the principle of reducing the number of objects in the basic link and imparting glasnost to general administrative models; perestroika of branch and regional administrative structures in the direction of demonopolizing production and developing competition. Procedures for the easy creation of economic organizations, solely on the basis of registration, need to be developed and put into operation. Reasons for rejecting registration should be strictly limited by legislation.

The organizational network of market institutions should consist of commodity and security exchanges, permanently operating auctions, leasing and advertising organizations, intermediary and commercial organizations, marketing services at enterprises and regional chambers.

Increasing the level of information concerning supply and demand conditions for producer and consumer goods will contribute to intensification of the processes of demonopolization and to expansion of competition. Along with organizing a system of current commercial information, censuses of the basic branches of the economy and intersectorial balances need to be published every five years.

The mechanism for the preferential taxation of the processes of demonopolization and strengthening competition is to be based on the use both of direct tax privileges and the mechanism of the investment tax credit. Direct tax privileges ought to be applied in the form of lower tax rates (or exemption from paying taxes for a specified period) with respect to enterprises which have been broken up and small and medium enterprises regardless of the form of ownership.

The investment tax credit aids in stimulating economic organizations and large enterprises to take the initiative in carrying out an active policy of developing small, leased, and joint-stock enterprises and cooperatives or mixed forms of them as well as to diversify production and to modernize the production apparatus (which is

linked to raising product quality and its use values). This measure represents an actual tax rebate on the profit of large enterprises (which contribute to demonopolization and the strengthening of competition) directed to the financing of capital investments related to the diversification of their production, the construction of small and medium branch enterprises, and the acquisition of new machinery and equipment for them.

The sphere of the use of market prices, taking into account the level of the monopolization of the economy, ought to be expanded. Non-monopolized branches and enterprises need to be converted to these prices first of all. In the monopolized branches control over prices on the part of the anti-monopoly organ is to be applied in the form of price indices for specific types of output based on the declarations and complaints of consumers.

Financial protection of unprofitable enterprises which are monopolists is to cease. A system of independent banks (including commercial banks) is to be developed. Subordinate organizations of the USSR Gosbank system which relinquish compulsory specialization in the banking sphere, including regional attachment, are to be converted to economic accountability.

Administrative fixing of the dividend norm cannot be permitted. The transfer of investment resources must be effected in accordance with exclusively economic criteria and priorities.

Insurance institutions competitive with USSR Gosstrakh (State Insurance Main Administration of the USSR Ministry of Finance) need to be created and the sphere of insurance (including the insuring of industrial risks) expanded, especially for small and medium enterprises.

An account is to be opened in the USSR Gosbank system which is to receive funds obtained as part of the revenues from auctions being transferred to the budget and part of the amounts of fines for violation of anti-monopoly legislation. The funds of this account are to be distributed among the union, republic and local budgets and are to be used exclusively for the development of market infrastructure as well as for the creation of small and medium enterprises.

#### **The Second Stage (1993-1995)**

Measures directed to the development of competition are to acquire paramount importance in the second stage.

The liability of monopolist producers of individual types of output when they artificially limit production volumes and commodity supply in order to raise prices is to be increased. The principle of taxing each unit of monopoly produced output should not be applied, since one cannot permit a lowering of interest in increasing production volumes while a commodity shortage remains.

The forced selling-off of part of the equipment (specialized capacities) on the basis of a decision of the USSR Anti-Monopoly Committee above the established maximum norm for the concentration of production in a given market is to be permitted. In accordance with the decision made an economic unit must sell off a prescribed part of the equipment (capacities) within a specified period. At the same time, the economic unit is to be retained as a juridical person.

Credit and tax privileges are to be granted to those who purchase the equipment sold off and who in the shortest possible time begin its production operation and the delivery of output to the market in question, thereby ensuring the development of competition.

Rights of free price setting must be broadened gradually as competitive market relationships are established, including for enterprises of the state sector (primarily for small and medium enterprises having real competitors).

Centralized regulation of prices for highly monopolized output is to be used with the help of diminishing coefficients calculated on the basis of possible export prices for the output in question with a correction for the relationship of overall production efficiency indicators and the foreign exchange rate.

Maximum permissible volumes (quotas) of the production of highly monopolized output by a monopolist enterprise and of increased rates of taxation when the specified quotas are exceeded are to be established in order to protect the interests of the new competitors.

A mechanism for the retraining and material support of released workers, reform of the passport system, and creation of a housing market are needed for the establishment of a mobile labor resources market.

#### **The Third Stage (from 1996)**

Beyond the limits of the 13th five-year plan, provided that the basic tasks in balancing the economy and adapting to a new integral system of management are solved, implementation of the anti-monopoly programs is to include a number of qualitatively new directions. The reproduction bases of monopolism are to be eliminated. The basic deep-seated disproportions which determine the monopoly positions of the branches of material production of the first subdivision, particularly the construction and machine-building complexes, are to be eliminated. The extension of the technological revolution and the establishment of adequate technological and branch structures is to be in the forefront. The dynamism and very character of these processes are to constitute an objective counterweight to monopolism in the economy.

The system of anti-monopoly regulation is to be organized as an organic part of state control and of public self-governing structures. The practice of anti-monopoly control and suppression of monopoly actions must be

combined with a system for the support and encouragement of healthy competition. One will not be able to do without drawing-up and introducing into practice rules of business etiquette and the establishment of economic thought based on an understanding of the necessity and inevitability of observing moral and ethical standards in business relationships and a realization of the value (including the economic) of an irreproachable business reputation.

Constant improvement of anti-monopoly legislation in the channel of the parliamentary law-creation process in close coordination with and on the basis of the development of production and administration is to be seen later on.

Organic inclusion of the USSR in the international division of labor, provided that there is an organized and normalized market and its basic mechanisms operate effectively, and the establishment of full ruble convertibility have been set as the main goal. Further qualitative changes both in the production and in the market structure of the national economy, as well as in the management of foreign economic activity, will take place on this basis.

Development of new forms of foreign economic activity, an increase in its flexibility, and the limitation of the monopolism of foreign economic departments will contribute to the steady contraction of the state monopoly of foreign trade and an increase in the role of a systematic customs policy and a sound mutually coordinated system of customs tariffs and duties.

Anti-monopoly legislation regulating the conduct in the market of various forms of soviet, joint and foreign firms is to be fully operational at this stage.

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### Links Between Shadow, Official Economies Examined

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[Article by G. K. Sinilov and S. D. Golovnin: "Neutralization of the Shadow Economy Is a General State Task"]

[Text] This article continues the discussion of problems of the shadow economy begun in No 2 of the journal. The authors give their definition and examine the functions and forms of manifestation of the shadow economy and propose a classification of social groups initiating shadow economic relations. On the basis of the factors in the preservation and development of the shadow economy, measures to reduce its scale are formulated.

The term "shadow economy" presupposes its comparison with the concept of "economy" and a disclosure of the correspondence (noncorrespondence) of shadow economic phenomena to the established norms and principles of socialist management. Deformation of the latter on the scale of society at large is the main distinctive feature of the shadow economy, which makes it possible to describe it as a certain socioeconomic phenomenon. At the same time, deformation as a mandatory attribute of the shadow economy should be examined with respect to the specific economic mechanism, which, in practice, embodies a certain concept and model of the socialist economy. In this case, the shadow economy is characterized as deviant, deviating from the official (normative) economy, whose functioning is regulated by the legislation in effect. The legal evaluation of economic processes, delimiting lawful and unlawful acts, establishes parameters for the classification of shadow activity, which does damage to public interests. However, since legal relations arise from economic ones, in order to describe the shadow economy, it is necessary, first of all, to reflect its dialectic interconnection with the predominant system of production relations and only after that to specify the forms of manifestation of shadow economic relations in a real legal regime. From this it follows that the object of investigation has structurally substantial economic and legal characteristics. Therefore, one can successfully gain knowledge of it only with an overall methodology. The economic and legal approach, which has proved its value in the practice of scientific research, can perform such a role.

As is well known, economic relations of every given society are manifested primarily as interests. A steady and prolonged mismatch of different-level interests and possibilities of various social groups and individuals in meeting their needs officially (legally) forms the striving for the realization of group and personal interests by any accessible method, including to the detriment of public interests and the interests of other social groups and citizens. Since such behavior always has a pronounced mercenary direction and does not receive support from the bulk of the state apparatus and wide strata of the population, mercenary goals, as a rule, are attained secretly, although this can be masked as a fully legal activity corresponding to the nature of socialist production relations. Systematic mass deviations from normal conditions of social reproduction at all the stages of the movement of the national product point to disorders in the mechanism of economic realization of socialist property. The shortcomings in the functioning of the economy and the dissatisfaction of personal and group interests connected with them transform socioeconomic relations in the use of socialist property into shadow ones and the active realization of interests acquires a mercenary direction.

Thus, a shadow economy can be defined as the production, distribution (redistribution), exchange, and consumption of commodity stocks and services actually not controlled by society, that is, socioeconomic relations



among individual citizens and social groups in the use of socialist property for mercenary personal or group interests, which, according to the general rule, are concealed from state management and self-management bodies and the public. The existence of the shadow economy is determined by specific methods of realization by individual citizens and social groups of their material interests determined by their position in society, as well as by the impossibility of realizing economic initiative officially in a number of cases. It is important to stress that the shadow economy is not a mechanical combination of accidental and episodic illegal acts in the economy, but a socioeconomic phenomenon formed on the basis of the manifestation of mercenary interests, primarily, of certain social groups.

Shadow economic relations can be carried out in an illegal and concealed, as well as legal, form. However, in the official economy there is a mixing of official and shadow results and their delimitation is virtually impossible without special methods of checking the reliability of information on economic processes. The degree of correspondence of attained results to social goals and the method of attaining results is the criterion of such a delimitation.

Padding of reports on the results of economic activity is a typical example of "mixed" relations. The economic content of padding lies in a fictitious inclusion in the economic turnover of nonexistent goods, products, and services recorded by the state as a real national product in kind and in value, as well as in a real turnover of funds in the form of unearned wages and undeserved bonuses. These economic operations recorded by the state as fully reliable, in reality, do damage to public interests and are carried out for mercenary purposes (derivation of unearned and undeserved income and preservation and strengthening by officials of their social position) and by an illegal noneconomic method.

Thus, shadow relations in the realization of mercenary interests by illegal methods superficially appear as legal forms of the production of the national product and distribution of income according to labor. The following are also semilegal: the production and sale of poor-quality products (services) considered quality ones; sale of products, goods, and services at groundlessly overstated prices; inefficient use of labor and material resources expressed in a mercenary distortion of the norms and normatives of resource use. The legality of economic relations arising in this process is also only superficial: through the recording and reporting system the state receives information on these processes as an allegedly normal economic activity. The actual scale of such an economically inexpedient (for society at large) and socially harmful activity remains hidden. As in the case of report padding, here there is a conscious deception of state management and self-management bodies and the public concerning the conditions and results of management, which masks illegal methods of attaining mercenary goals (derivation of material and social benefits).

In general form semilegal shadow economic relations can be described as an irrational economy. Here irrationality lies both in economically and socially unacceptable forms of functioning of national economic structures and in the fact that the results obtained in the process, in reality, are society's economic losses.

Losses as an economic category express negative consequences of the development and resolution of economic contradictions in socialism and noncorrespondence of economic practice to the requirements of economic laws. Real economic losses are formed under the effect of factors of a social-technical, organizational-economic, and economic-legal nature, which disrupt the normal course of reproduction of material wealth and services. Quantitatively, they reflect the amount of the inefficiently used part of available resources in the form of their nonreturnable and uncompensated removal (withdrawal) from the economic turnover, of excessive (in excess of socially necessary) expenditures of resources on output, and of the idle time of production resources. It should be stressed that an irrational economy produces society's economic losses, although for individual participants in semilegal shadow economic relations this turns into a material or social benefit.

On the basis of selected research, as well as other statistical, data it is possible to evaluate the scale of the indicated phenomena. Naturally, the obtained evaluations can be of an approximate nature not only owing to the fact that shadow activity is concealed from recording, but also because even the information available in different departments often is official and is not published. When calculating income from fictitious, poor-quality, and inefficient activity, we will proceed from the data published by the USSR State Committee for Statistics to the effect that the share of workers' and employees' wages in the national income makes up 44 percent. Since, as is well known, the national income in the gross national product makes up 41.2 percent, the wage fund accounts for about 18 percent in the gross product.

The inefficient use of resources reflected in the recording system as nonproductive expenditures and losses annually reaches 45 to 55 billion rubles. In other words, accounted for losses due to mismanagement alone turn into a fictitious gross national product in the indicated amount, which nevertheless brings real payments of income in the form of wages (18 percent of the total volume) totaling 8.1 to 10 billion rubles, which are not substantiated and, naturally, not secured by products.

Padding of the volumes of performed operations at checked enterprises averages 1 to 2 percent of the real volumes. Thus, with a gross national product of more than 1,500 billion rubles padding can be estimated at 15 to 30 billion rubles and wage payments for fictitious work, at 2.7 to 5.4 billion rubles respectively.

On the basis of the data on the rejection and lowering of the gradings of consumer goods,<sup>1</sup> it is possible to obtain

a weighted mean estimate of the volume of poor-quality goods at 7.2 percent of the trade turnover, or 26.4 billion rubles, which involves a payment of wages amounting to 4.8 billion rubles. If this estimate (for lack of other data) is also extended to output for production and technical purposes, the volume of all poor-quality output and goods will total 109.8 billion rubles and wage payments for rejects in work, about 19.8 billion rubles respectively.

It is quite natural that illegal shadow economic relations lead to society's unaccounted for economic losses. In fact, illegality with respect to the official economy is expressed in concealing both the mechanism of realization of such relations and the results obtained in this process from any forms of control. Pilfering, bribery, speculation, concealment of income from taxation, and private entrepreneurial activity are hidden carefully. True, in a nonobvious form the extent of pilfering is partially reflected in recording as shortages and unsubstantiated overstatements of expenditures. Naturally, however, it is impossible to single it out in official recording (except for cases proven in accordance with the established procedure).

A continuous increase in the number of mercenary offenses in the economic sphere (from 100,000 to 282,800 annually) was observed from 1961 through 1986 inclusive. In 1987 their number was reduced slightly. In 1988 a total of 263,300 offenses, in whose commission 276,600 people participated, were exposed. The damage totaled 255.2 million rubles. Last year crime increased virtually everywhere. The recorded thefts of state and public property increased 1.7-fold as compared with 1988, including from warehouses, depots, stores, and other trade centers, 1.5-fold, and of freight on railroad, water, and air transport, 1.7-fold.

During the period of perestroika we have recognized the existence in our country of organized crime as the most socially dangerous form of its manifestation. And although the proportion of such a form of crime in the total mass is negligible (from 6 to 10 percent), the existence in it of individuals engaged in criminal activity as a profession, of general group stocks of material and technical resources, and of corrupted relations in economic, state, and party apparatus cause its reproduction. This danger increases even more, because it has a significant contingent of people committing mercenary administrative offenses. Legal proceedings are annually instituted against 1.4 to 1.6 million people, including 780,000 to 800,000 for petty pilfering, 550,000 for an unlawful use of motor vehicles and mechanisms, and 45,000 to 46,500 for an illegal engagement in individual labor activity.

Soviet criminologists and law enforcement bodies give quite realistic evaluations of the actual damage from various types of offenses. We will dwell only on one method of determining the possible damage from masked pilfering. According to the data of the USSR State Committee for Statistics, in 1988 shortage and

pilfering amounting to 439.2 million rubles were attributed to guilty persons, including pilfering resulting in shortage amounting to 17.3 million rubles, or 3.9 percent of the entire sum, was established by the court. At the same time, law enforcement bodies exposed pilfering through misappropriation, squandering, or abuse of official position and thefts and petty pilfering of state and public property amounting to 159.9 million rubles, that is, 142.6 million rubles (159.9 million-17.3 million) constitute the damage from masked pilfering without the formation of shortages. It is logical to assume that this also makes up 3.9 percent of the masked shortages, which have specific culprits and, therefore, total 3.7 billion rubles. If we add here 1.5 billion rubles of shortages and spoilage of assets written off in excess of the norms of natural loss to production expenditures (circulation costs) in the absence of guilty persons, the total amount of damage from possible pilfering can be estimated at 5.2 billion rubles. It should also be kept in mind that pilfering is often committed by illegally writing off shortages to natural loss, which, on the whole, have exceeded 1.6 billion rubles.

As a result of the preventive measures implemented by the USSR Ministry of Internal Affairs, in 1988 unaccounted for commodity stocks worth about 112 million rubles were credited. In reality, the volumes of stocks concealed from accounting are much higher, which is evident even from the estimates presented by us concerning the scale of masked pilfering without the formation of shortages.

The extent of illegal enrichment at customers' expense is also considerable. For example, according to the data of Gostorginspektsiya [Main Administration of State Quality Inspection of Goods and State Trade Inspection], 30 out of 100 customers are cheated and shortchanging averages 10 to 20 kopecks per purchase. There are data to the effect that about 400 to 450 million purchases are made daily in the country, that is, 146 to 164 billion purchases are made annually and, therefore, shortchanging amounts to 4.4 to 9.8 billion rubles annually.

The results of our research conducted in the 1980's point to the spread among the population of views on and orientations toward meeting personal needs and interests by immoral and illegal methods. For example, in 500 studied groups of criminals, who committed pilfering on a large and extra-large scale, in 19 percent of the cases fellow workers became their accomplices and in 30 percent, were indifferent to the observed illegal actions. A total of 79 percent of the plunderers' family members knew about the commission of offenses and were even conspirators. More than 70 percent of the exposed plunderers assume that nowadays no one lives on honestly earned money. Nor are present-day schoolchildren, 20 percent of whom do not rule out an illegal method of obtaining money to meet their needs, second to them. It is not accidental that 95 percent of the offenders in the economic sphere are annually recruited from individuals who commit an offense for the first time.

The corrupted economy, which affects entire national economic sectors and regions, is an extreme expression of shadow activity. The corrupted economy as a synthesis of economic and other types of crimes deforms the initial principles of the socialist economy, rights, morals, and ideologies to such an extent that its existence is in direct antagonism with the socialist social system and it is antisocialist in its content. The corruption of the economy expresses the social erosion of socialist production relations, their functional and specific distortion, and (local) restoration of the capitalist or feudal system of social life.

A comparative analysis of the three stages in research on the nature of group pilfering during the 1967-1988 period showed that the criteria of their organization and social danger increased manyfold. Whereas at the first stage the average statistical organized group of plunderers numbered 10 people, at the last stage (1983-1987), 30 people. The share of criminal groups headed by several leaders increased from 0.7 to 15 percent; those with one monetary fund, from 18 to 29.8 percent; those with corrupted relations, from 7 to 51.2 percent. The tendency toward the merging of general criminal and economic offenses and their intersectorial and interregional nature are noted clearly.

From the standpoint of the economic and legal approach the shadow economy includes not only mercenary offenses, but also such mercenary (not criminal) infringements of the law in the economy, whose possibility is determined by the position of an individual or a social group in society. Furthermore, an irrational economy can be caused by shortcomings in the existing economic mechanism, that is, it can be fully legal, although economically inexpedient and socially harmful (for example, the output of unnecessary products, which find no market, although they correspond to standard requirements). It is obvious that in this case official economic relations turn into their antipode—shadow economic relations: Public interests (in this case the need for certain types of products of the necessary quality) are not met, but departmental, group (fulfilling planned assignments, strengthening the status of a sector or an enterprise, receiving appropriate rewards, and so forth), and personal (receiving unearned pay, undeserved bonuses, and moral incentives) interests are realized in full measure. The following is another example of such a type of "lawful" shadow activity: the distribution of material wealth and services inside a strictly limited circle of consumers, when in accordance with legislation a social group or a management body is given special powers in the disposal of scarce resources, but exercises them only under conditions of mutual exchange ("you for me and I for you"), although strictly within the framework of the law, or in accordance with the privileges of certain categories of citizens and social groups to receive such benefits—privileges previously established in normative acts, but socially unjustified.

A significant number of goods received in the trade network are dispersed among acquaintances and often

among speculators. During the first six months of 1989 alone the USSR Ministry of Internal Affairs jointly with workers' and people's control checked 160,000 trade and public dining enterprises. Infringements of the law were uncovered at one out of three of them, including goods worth 35 million rubles concealed from sale were uncovered. If these indicators are annually extended to all trade and public dining enterprises (every third out of the total number of more than 1.1 million units), we will obtain a volume of goods concealed from an open sale in the amount of about 0.5 billion rubles. However, if we take into consideration that scarce goods are received for sale no more often than once a month and inspections are not of a total nature, the indicated sums can be increased 10- to 12-fold with good reasons, that is, goods worth 6 billion rubles are concealed from sale and received by "needy" people. Here we will note that, according to the data of the USSR Ministry of Finance, in 1988 above-normative stocks of physical assets totaled 170 billion rubles. These assets, along with productive application, can be used (and the practice of law enforcement bodies confirms this) for various shadow exchanges, including illegal—for bribe, according to the principle of mutual services. Therefore, a reduction in the amounts of unjustified stocks is also of great importance from the point of view of a decrease in the sphere of operation of the shadow economy.

It is necessary to single out the criminal part of the shadow economy. We include in it mercenary offenses of a general criminal direction, that is, those committed not in the sphere of production relations, but in the sphere of daily life and against the individual. The level of such types of crimes as larcenies, thefts, robbery assaults, extortion (racket), drug abuse, prostitution, and so forth under conditions of the humanization and democratization of society that has begun not only does not decline, but continues to grow. From 1983 through 1988 the number of offenses in this group increased by 9.1 percent. A total of 270,000 to 300,000 people annually participated in their commission and the damage done amounted to 300 billion rubles, a significant part of which is used by offenders for their material security and, thereby, is included in shadow distribution relations.

Thus, the shadow economy in its diverse forms to one degree or another encompasses all the stages in public reproduction, permeates both vertical and horizontal economic ties, and is manifested in mutual relations of individuals, social groups, and the state. It appears as a self-reproducing economic system. The derivation of the maximum material and social benefit by initiators of shadow economic relations is its goal. Since the methods of attaining this goal contradict the socialist principles of the social system, the shadow economy performs a destructive function. It undermines the basis for the socialist system of management, reduces the economic power of the state, does irreparable moral damage to society, and encroaches upon the material interests of the majority of the population.



At the same time, the shadow economy also performs a compensatory function, offering its goods and services to consumers. Usually, some citizens, or spontaneously (illegally) organized collectives, which possess a commercial flair and professional qualities for making up for the existing shortage and for meeting the population's needs and their own material interests, perform such a role. The anatomy of emergence and development of this shadow economy is inherent in the deformations of our society, when collectivism is counterposed to the individual and the socialization of property has turned into an end in itself and has led to its actual alienation from the producer. The prohibitive system of legal regulation of economic relations widespread during the recent past, in fact, placed individual labor activity and the satisfaction of the population's many daily needs outside the law. The permission to engage in the handicraft industry, which was in effect, neither in its direction nor in the conditions of control made it possible to encompass the population's diverse needs. Disregard for such needs on the part of the official management system and the lack of flexible economic structures for the realization of personal and professional abilities are the main reasons for the emergence of illegal forms of individual labor and collective activity. Their compensatory function is socially useful and is in demand by citizens. Therefore, it has become widespread. Millions of citizens have been drawn into this form of the shadow economy (construction and repair of houses, country homes, and apartments; sewing and alteration of clothing, footwear, and technical household articles; private haulage; fulfillment of the assignments of cooperatives or individuals, who have patents, without an official legalization of contractual relations, and so forth) and specialists estimate its total annual turnover at 10 to 12 billion rubles.

Despite the USSR Law "On Individual Labor Activity" put into effect in 1986, which, in fact, legalized most types of the shadow economy, the situation is changing slowly. For example, in 1988 internal affairs bodies uncovered 46,500 cases of an illegal engagement in individual labor activity. Consequently, the economic mechanism has not yet created guaranteed advantages of the legalization of individual labor activity and the stereotypes of moral deformation of consciousness continue to operate. Here it is obvious that, in reality, the compensatory function appears as a means of enriching the initiators of shadow activity. Ultimately, the shadow economy compensates for what it has withdrawn from the official economy. There is a distinctive transformation of society's economic losses (more accurately, their part) into the economic benefit of shadow functionaries. The circulation of losses of the official economy and of benefits of the shadow economy deliberately occurs on a nonequivalent basis. It turns out that, compensating for malfunctions in the official economy, which often are caused by shadow activity, the shadow economy intensifies its destructive effect on the country's economic development.

The negative consequences of functioning of the shadow economy are not exhausted by society's economic losses

alone. Giving rise to shadow law, morality, and organization, it exerts a negative effect on all the aspects of social life. The degree of social danger of certain shadow economic phenomena is determined by the method of realizing mercenary aspirations and their organization and effect on the distortion of other (legal and moral-ethical) types of social relations. From these standpoints the forms of manifestation (existence) of the shadow economy can be structured as follows: a corrupted economy, organized economic crime, other economic and general criminal offenses, mercenary infringements of the law in the economy, and an irrational lawful (or conditionally lawful) economy. In practice these phenomena intersect, supplement, and produce each other and find their expression in the following economic processes:

- movement of fictitious values and use values, that is, nonexistent goods, products, and services recorded by the state as the real national product in kind and in value (report padding);
- movement of poor-quality physical assets (services) under the guise of and recorded as quality assets (falsification of goods, products, and services);
- movement of real values and funds concealed from recording (pilfering, output of unaccounted for products, shortchanging customers, illegal production of goods and services, and concealing income from taxation);
- movement of real goods (services) at groundlessly overstated prices (delivery of products and goods, rendering services at obviously overstated prices, and speculation);
- movement of real values (services) among a narrow circle of consumers according to a mutual unlawful agreement (service for service, bribery, and abuse of official position).

All these economic processes, in fact, escape society's field of vision despite the existence of a powerful system of nondepartmental and departmental control. Undoubtedly, the low efficiency of state control is connected with shortcomings in the activity of corresponding instances. Nevertheless, the existence of objective factors in the reproduction of the shadow economy, whose elimination is connected with the presently occurring fundamental restructuring of society's conditions of vital activity, is the chief thing. The materials of the same controlling bodies show that the same shortcomings in economic activity have been detected for decades. This attests to the stability of existing types of deviations from normal conditions of production, distribution, exchange, and consumption and the corresponding transformation of economic relations into shadow ones. This situation is also confirmed by an analysis of economic offenses as an integral part of the shadow economy. Materials of law enforcement bodies and criminological investigations make it possible to

consider many shortcomings of a socioeconomic, organizational-economic, and technical-technological nature as circumstances contributing to offenses in the economy. These circumstances in a generalized form are factors in the development of the shadow economy and in the reproduction of both criminal and noncriminal forms of shadow economic relations. During many years law enforcement bodies have been submitting proposals on eliminating or neutralizing the effects of such factors to appropriate instances. On the basis of these proposals various decisions are made and specific measures are realized at all levels of management. In practice, however, little changes. Therefore, the economic mechanism still does not possess anticriminogenic steadfastness and in society there are forces (social groups and individuals) interested in preserving the existing situation.

In its sociological characteristics the composition of social groups initiating shadow economic relations is very complex and diverse.

First, these are criminally active groups of citizens, who strive to meet their vital needs through the commission of mercenary offenses. From the standpoint of reproduction of shadow relations individuals committing masked offenses in the sphere of the official economy hold the dominating position in this social group. From 1980 through 1988 inclusive, the number of annually exposed individuals belonging to this category has ranged within 250,000 to 280,000, including 17,000 to 30,000 are managers of organizations, enterprises, and their structural subdivisions and 7,000 to 12,000, accounts workers. Individuals in this category mostly are organizers and active participants in formations setting goals of systematically committing mercenary offenses. Holding important posts in the managerial apparatus, having public resources at their disposal, and officially endowed with special powers, these social groups not only have the opportunity to use socialist property in mercenary interests, but also to hinder and "red tape" any decision aimed at limiting their privileges and eliminating the conditions of flourishing of the shadow economy.

Having significant material resources at their disposal, individuals in the indicated category bribe officials, form corrupted relations in the economic and state apparatus, as well as in the criminal offense environment, and thereby create the material basis for the development of organized crime in the country. Individuals committing petty pilfering and official and economic infringements of the law, which make up a significant reserve for the recruitment of criminal formations and reproduction of shadow relations, are affiliated with this group, which numbers 1.4 to 1.6 million people.

Individuals committing mercenary and mercenary-violent offenses of a general criminal direction form another criminally active group. In the total mass (270,000 to 300,000 people) a special role belongs to

individuals committing the indicated offenses as a profession. They include thieves "in law," recidivists, swindlers, racketeers, pimps, and dealers in the narcotic business. In this environment, formations of organized crime arise and merging with economic offenses occurs. The obtained physical assets are included in shadow distribution relations and thereby stimulate the further development of the shadow economy.

Second, a very many-sided group of citizens (from workers in different specialties and owners of scarce goods to inventors and scientists), who try to use their professional, official, and personal opportunities to derive additional income for the purpose of meeting their own requirements and needs. Entering into economic relations with their personal labor or their resources and rendering services for the public outside economic structures and despite legislative bans, they realize the illegality of their actions, but justify them with the social significance of what is committed and the small risk of bearing responsibility. It is very difficult to measure the quantitative parameters of this social group, which forms the basic "personnel reserve" of reproduction of the shadow economy.

Third, part of the urban and rural population (the most numerous group stimulating the development of the shadow economy), which meets its socioeconomic needs by using shadow production and distribution relations. Such relations create the market, without which the shadow economy could not exist. Socioeconomic contradictions of the present transitional period in the development of Soviet society are woven into a single knot in this social group.

The results of the economic and legal research conducted by us make it possible to determine that the following are the basic factors in the preservation and development of the shadow economy:

- workers' alienation from socialist property (lack of a proprietary attitude toward property);
- violation of the principle of distribution according to labor (low wages, limitation of the amounts of earnings, and inefficiency of the bonus system);
- noncorrespondence of prices to socially necessary expenditures and to the quality of products (monopolistically high and unjustifiably understated centrally set prices);
- shortage of material resources, products, goods, and services (noncorrespondence of supply to effective demand);
- monopolism and dictate of the producer and the supplier (the producer's imposition of his terms on the consumer);
- voluntarism in management (incompetent management decisions leading to an unbalance in the development of national economic sectors, unreality of planned assignments, and so forth);

- bureaucratism (permissiveness in the actions of the managerial apparatus);
- plan fetishism (plan at any price);
- departmentalism and localistic tendencies (ignoring public and state interests);
- low level of state and public control in the economy (inefficiency of audits, checks, and financial control, shortcomings in recording, and so forth);
- shortcomings in the activity of law enforcement bodies (weak prevention of offenses in the economy and, primarily, orientation toward the exposure of insignificant offenses);
- society's social stratification depending on the possibilities of obtaining and consuming material wealth and services (existence of social groups having privileges in the provision with goods and services);
- society's social differentiation (significant fluctuations in the income level depending not only on citizens' labor contribution, but also on their social status);
- workers' social apathy (indifference to society's affairs—"it is all the same, nothing can be changed; it is all the same, goods will disappear");
- impossibility to realize citizens' creative potential and their striving to increase their income in public production (abundance of instructions fettering workers' initiative to increase their labor contribution, including for remuneration);
- shortcomings in ideological education.

The concept of shadow economy as a social phenomenon determines the need not only to intensify the fight against its individual manifestations, but also to adopt overall measures counteracting the development of the shadow economy as a whole, measures to limit the mercenarily directed activity of individual social groups and to eliminate the conditions (factors) in the flourishing of the shadow economy. It is fundamentally important to stress that the existence and expansion of the sphere of the shadow economy is not inevitable and fatal under socialism and the establishment of an efficient social system counteracting its development is possible. For this it is necessary to jointly apply political, economic, legal, and organizational measures as an integral part of restructuring modern society.

Realization of the economic independence of enterprises and leasing, cooperative, and other advanced forms of management are the material basis for ousting the shadow economy. However, the haste and politicalization of legislative decisions and distortions in their real execution not only lower the efficiency of the effect on the shadow economy, but often also create new possibilities for its development.

At the initial stage of formation of market relations existing flaws in the psychology of private ownership receive a legal economic possibility for realization. It is not accidental that rendering mediation services, where it is easier to derive nonlabor income, not the production of new goods, makes up more than 50 percent of the total volume of economic activity at newly organized cooperatives.

Manifestations of monopolism and group egoism at state enterprises, which have adopted new forms of management, have become aggravated. This has been expressed in a sharp reduction in the output of inexpensive goods, overstatement of prices, and so forth. Thus, in 1988 with the continuing growth of nonproductive expenditures and losses in light industry the production volume increased by 47 percent exclusively owing to the overstatement of prices of products. Consumer goods alone, which are worth 1.5 billion rubles, are rejected annually.

Objective contradictions between the laws of the market economy and the socialist principle of social justice of distribution relations have become aggravated. Hence the rushing from one extreme to another. For example, in 1986 the law on the fight against nonlabor income, which relies on punitive sanctions and only declares economic and organizational-economic measures, is adopted on a voluntaristic basis. The corresponding unrepealed acts, which, essentially are correct with respect to a number of positions, after a year, in fact, stop their effect and the official propaganda often attaches absolute value to the adopted new laws stimulating the development of various types and forms of ownership and market relations.

The campaign against drunkenness and alcoholism, concealment of goods in trade, and establishment of state control over the quality of output, which not only failed to narrow, but even expanded the sphere of the shadow economy, was carried out in the same spirit.

The rash transfer of a number of scientific and design organizations to cost accounting made it possible to increase remuneration to 50 or 80 salaries annually without a significant increase in the quantity and quality of labor. Moreover, throughout the national economy in 1989 labor productivity increased by a little more than 2 percent, whereas wages, by 12 percent.

Our attempt to calculate the total volume of the possible turnover of all types and forms of the shadow economy showed the impossibility of its generalization in a single evaluation owing to the different quality of phenomena.

The public opinion poll conducted by us (May-September 1988) in collectives of 13 large enterprises and organizations in the city of Moscow, which encompassed 1,200 respondents, has shown that 51.1 percent of them do not see changes in the fight against manifestations of the shadow economy and 66.3 percent maintain that bribery and other abuses in trade and in the system of services for the public have not decreased. Evaluating the state of preservation of socialist property



in the national economy in the last 2 years, only 27.2 percent of the workers in the service for combating the embezzlement of socialist property and speculation have pointed out that it has improved, 35.2 percent, that it has remained at the previous level, and 46.5 percent, that it has become complicated as a whole, or in individual sectors.

Taking into consideration the fact that, at the same time, other criminogenic factors promoting the existence of the shadow economy, which we have examined, are factors hampering the process of perestroyka, the development and realization of overall economic-legal measures to neutralize and eliminate them assume a priority nature.

A general state program for the fight against crime for the 13th Five-Year Plan can serve as an organizational form. Within the framework of this program it is necessary:

- to develop a reliable mechanism of establishing direct and universal control over citizens' income and property position. Under conditions of the development of market relations this will ensure a reliable barrier to the super-large income and savings concentrated among dealers in the shadow economy and leaders of organized crime;
- to determine the qualitative and quantitative parameters of manpower released from material production, basic directions in the population's labor flows and migration, directions in the redistribution of capital investments for the development of the social infrastructure of basic regions, and needs for additional manpower; to take into consideration appropriate data in the general state program for the prevention of negative consequences of the restructuring of public production for the purpose of ensuring full and efficient employment;
- to establish a flexible price formation and taxation system, which would economically stimulate the execution of state orders and the production of high-quality inexpensive goods and services in great demand; to introduce a scientifically substantiated scale of progressive taxation on the wage fund depending on its proportion in cost-accounting income;
- during the preparation of the national economic plan for the 13th Five-Year Plan to include normatives of reduction in nonproductive expenditures and losses into it;
- to develop a new system of recording and reporting on the movement of material and financial resource, including nonproductive expenditures and losses, which would rule out the double counting of products;
- to ensure the realization of qualitatively new approaches to the scientific elaboration of property problems. For this it is advisable, through a partial reorganization of existing scientific institutions, to establish an All-Union Scientific Research Institute of Economic and Legal Property Problems of the USSR Academy of Sciences, entrusting it with functions of conducting a criminological expert examination of the major socioeconomic decisions being prepared;
- to accelerate the revision of legislation regulating production and economic activity, orienting it toward permissive and stimulating measures and revocation of numerous instructions contradicting the democratization of public relations, which have not justified themselves;
- to ensure the revision and adoption of criminal and criminal-procedure, civil and civil-procedure, and administrative legislation, envisaging the following in them: a) substantiated criteria of criminalization and decriminalization of offenses in the economy; b) greater criminal responsibility for the most dangerous types of economic offenses (organized criminal activity, establishment of pseudo-cooperatives, concealment of income from taxation, and so forth); c) measures to protect witnesses and those who have suffered from criminals, as well as norms stimulating an active repentance of criminals and an active assistance to the exposure of offenses; d) expansion of the possibilities of applying fine sanctions and confiscating property with a view to making the commission of mercenary economic infringements of the law economically unprofitable;
- to establish a system of administrative justice for an examination of insignificant infringements of the law;
- to adopt a law on preventive measures in the USSR for the purpose of ruling out a groundless interference in citizens' rights and legal interests;
- to fundamentally strengthen the control and auditing service of the USSR Ministry of Finance and to establish in the country an interdepartmental cost-accounting service for conducting audits and economic and technological expert examinations; to expand the rights of tax inspections to make guilty individuals financially responsible for avoiding the submission of declarations on income, introducing knowingly false information into them, and violating the accounting and reporting procedure;
- as an extraordinary measure to adopt a USSR law on declaring a moratorium in the fight against nonlabor income for a period of no more than 6 months, enabling all individuals, who have committed mercenary economic offenses, to voluntarily hand over criminally acquired assets to financial bodies, relieving them of criminal responsibility;
- to bring the staff and the level of material and social-domestic provision and technical equipment of law enforcement bodies in conformity with scientifically substantiated norms.

## Footnote

1. "Narodnoye khozyaystvo SSSR v 1988 g.: Statisticheskiy yezhegodnik Goskomstata SSSR" [USSR National Economy in 1988: Statistical Yearbook of the USSR State Committee for Statistics], Moscow, Finansy i statistika, 1989, pp 11-113, 414, and 506.

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### State Experts Commission's Activity, Recent Decisions Noted

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First Edition p 2

[Interview with Yuriy Mikhaylovich Arskiy, chairman of the State Commission of Experts of the USSR Gosplan, by A. Fedotov: "Expert Opinion From 'A' to 'Z'"]

[Text] Recently the newspapers "fired off" a sensation: it was recommended that construction of the Volga-Don II Canal, in which nearly 130 million rubles had already been invested (but the total cost is in excess of two billion), be discontinued and closed down temporarily.

In checking the estimates for the first section of the canal, the Gosplan's State Commission of Experts found them to be incomplete in many respects, conservatively speaking. It considered the arguments by the USSR Minvudstroy [Ministry of Water Resources Construction] that additional agricultural output would be obtained from irrigated areas to be unproved; that the extent of harm to the fishery resources was unsubstantiated, and in a number of cases, minimized; and that estimates of the Volga's hydroeconomic balance were excessive. In short, much of this is what makes continued construction unjustifiably expensive for the state purse and disastrous for the ecology.

Here is the very time to ask the question: who was responsible for a project that is so wasteful for the country? Was it worked out by criminals or someone with superficial knowledge? But no, we are assured that this was the brainchild of highly skilled persons, even patriots. Then where do the projects which "do not fall within any limits" come from?

"They are the outcome, the result, of a neglected economy," responded Yuriy Mikhaylovich Arskiy, the chairman of the USSR Gosplan's State Commission of Experts.

After all, the ones who develop them are forced to make use of old technologies and limited resources. Another reason for poor-quality projects is the so-called time factor: if the money has been released, it must be invested without delay, or else they will take it away. And finally, the narrow departmental, unintegrated approach to the programs being developed.

Take that Volga-Don II Canal. What is important for the Minvudstroy? To put the project in operation! But this department is not concerned about soil erosion, the

construction of cold storage plants and warehouses, and all the other concerns which accompany the canal. Its problem is only to prove that this project will pay for itself some day. But for the state, it is important that expenditures are returned to the budget more quickly and that the program is more profitable—this is the problem! Without a search for the best possible alternative, there is no progress.

[Fedotov] How do you assess the estimates which are coming to you from this point of view?

[Arskiy] Almost 60 percent of the materials examined concern defective output; from the positions of reform, this is a compromise and a dismantling of its sensible ideas. Often they attempt to maneuver with obsolete technologies which have been powdered up a little under the pretense that they are new ones.

Proposals such as this that are superficial, I would say, which have come to us in the State Commission involved the construction of large hydroelectric and thermal electric power stations, chemical and machine building plants, irrigation systems and mines...

[Fedotov] It is clear that your experts' field of activity involves materials which affect transactions of many millions, and even billions. All the same, how do they get to the expert commission? Is there a well-thought-out system?

[Arskiy] We provide expert opinion on the instructions of the government and the Gosplan. And roughly 50 to 60 percent of the materials examined each year are of national economic significance.

We could operate more efficiently, but we do not have occasion to speak of a scientific approach to the selection of topics at present, unfortunately.

[Fedotov] But can we mention the independence of the conclusions and judgments made by the Gosekspertiza [State Commission of Experts], whose specialists receive their salaries in Gosplan cash, that is, a department's cash? It is common knowledge that the one who pays the money also calls the tune.

[Arskiy] This does not apply to us in the least. We are an organ outside of any jurisdiction, although we are also under the Gosplan's roof. And this refers not only to the nature of relations with the chairman of the USSR Gosplan, far removed from ultimatums and pressure, but to the Gosekspertiza's democratic structure.

Well, how many staff specialists do you think we have? Twelve! Whereas the total for the recommendations to prevent unjustified expenditures over the past year and a half alone amounted to roughly 200 billion rubles. Could we study such problems comprehensively and in detail without having thousands of nonstaff experts—authoritative scientists and prominent specialists? It is enough to say, I think, that expert appraisals for our various programs have been headed by such major and

recognized authorities as Academics V. Paton, N. Moiseyev, V. Rzhnevskiy, M. Agoshkov, A. Aganbegyan, B. Laskorin, N. Shilo, B. Barsukov, Yu. Gulyayev, and many, many other scientists. The commission's council of experts, made up of major scientists, adopts the decrees of the State Commission of Experts by a vote.

[Fedotov] A delicate question: what honorarium is received by the nonstaff academician-experts?

[Arskiy] A symbolic one, as they say, enough to make a cat laugh. For the findings which a scientist assumes responsibility for to the public, he receives 60 to 80 rubles. In other countries, they provide specialists of this rank with a fee for years for taking part in an expert commission. For this reason, it is not a simple matter for us to invite a foreign expert when necessary. On the other hand, what is right is right: our experts cannot be reproached for dependence on "the money bag"...

[Fedotov] All the same, let us define the concept of independence as applied to the State Commission a little more precisely. Are you independent of departmental dictates, the voluntarism of high rank, and what about public opinion? Is the "voice of the people" taken into account in providing expert opinion?

[Arskiy] It seems to me that the Gosekspertiza is also a genuine, unproclaimed mechanism for influencing public opinion on government decisions.

After all, it is precisely because of public opinion and the people's concern about the ecological and socioeconomic situation in the region that attention was drawn to the defects in construction of the Volga-Chogray Canal. After reviewing materials on the Cheboksary and Nizhnekamsk Hydroelectric Power Stations, we disapproved of filling the reservoirs to a mark that was destructive for nature.

[Fedotov] Judging by the facts you have cited, the Gosekspertiza's work is predominantly prohibitive?

[Arskiy] I would state it differently: the most important criterion for us is the advisability and usefulness of a program for the socioeconomic development of the country, the republic, and the region. And from this viewpoint I could cite examples when the commission does not say "no," but an urgent "yes."

It was that way, in particular, when we studied the materials justifying construction of the railroads from Kurgan-Tyube to Kulyab and Berkakit to Tommot to Yakutsk.

[Fedotov] The commission expressed a responsible opinion. But is it compulsory for those whose plans have been "sentenced" as inadvisable?

[Arskiy] The experts' decisions are recommendatory in nature. And I believe that this is correct. It should be that way, otherwise the experts would be replaced by the Council of Ministers or the country's Supreme Soviet. There are things whose expediency is more apparent to

the government: well, for example, the long-range strategic tasks and resource and demographic policy.

It is another matter that an effective mechanism of responsibility is needed for a decision that was made personally. If a minister did not take the experts' recommendations into account and fell wide of the mark, he should be aware that he cannot get off with a fine. The budget should not incur a loss because of the stubbornness and incompetence of managers and specialists.

[Fedotov] There are many specialized expert commissions in the country aside from the Gosplan complex commission. This leads to consideration of a more efficient state commission and scientific-methodological coordination of its efforts.

[Arskiy] I think that establishment of a State Experts Council in the USSR Council of Ministers could serve to strengthen expert appraisals. Not a new ministry with a huge staff, but just a council of experts: 15 or 20 scientists representing all the republics, plus broad relations with state and public organs of experts.

[Fedotov] How do you, until recently a professor at the Leningrad Mining Institute and an authoritative scientist in the economics of efficient use of mineral resources, view the work as chairman of the State Commission of Experts? Don't you feel out of place here?

[Arskiy] No, I do not. Because I came here when I realized that my experience and knowledge will not be dissolved in coordination and settlement and will not gather dust in archives. There are many persons in the Gosplan who have left "remunerative" positions for their work. Persons for whom patriotism is neither a slogan or a game.

## INDUSTRIAL DEVELOPMENT, PERFORMANCE

### Conversion Problems in Kaluga Oblast Discussed 904D0183A Moscow TRUD in Russian 22 Jul 90 p 2

[Article by S. Strelchenko, doctor of technical sciences and secretary of the Kaluga CPSU Obkom: "Neither a Sword Nor a Plowshare: What They Expected From Conversion and What It is Yielding"]

[Text] On the eve of the new year, the Signal Plant in Obninsk released the first batch of instant cameras. The latest technical advances, great dependability, elegance, and ease of handling all distinguish the innovation advantageously. It was created at a joint Soviet-American enterprise, which previously issued output for defense only. They will manufacture 10 million rubles' worth of such cameras annually.

This is just one of the many examples of what conversion yields. Practically all of the large enterprises located in Kaluga Oblast are shifting to the production of complex domestic equipment, for which the need is now so great.



Preparations are being made for the production of household kitchen appliances, woodworking machines, miniature tape recorders and home computers. The Kaluga Motor Building Association released the first batch of motor blocks for rural leasers. We are vigorously developing the production of sporting goods, including delta planes, water skis and sports complexes.

Medical equipment has become a separate line in the plans of the "defense people" and the therapeutic laser device "Uzor" issued in hundreds of units at the Voskhog Production Association in Kaluga was the winner in international competition in Finland and South Korea. Domestic medicine has an enormous need for it and developed capitalist countries are also prepared to buy it without limitations.

The preparation for the transition to regional economic accountability and the transfer of planning and management principles from the center to the localities forced the people in Kaluga to unite their efforts to resolve the complex tasks of conversion and to bring about a dramatic increase in the output of goods for the people. It is sufficient to say that the association of enterprises "Tovnar" (a contraction of the well-known slogan "tovary narody" [goods to the people]) established on its basis can solve practically any problems having to do with the development and production of domestic appliances of the highest level of complexity. It includes more than 20 plants and has a great scientific, personnel and production potential.

The first thing that Tovnar decided to do is to establish an independent plant through joint efforts for the production of electric motors of different capacities for household appliances. It is well known that at the present time very many are prepared to make complex machines for the home. But the question invariably involves precisely the lack of electric motors. More than 10 million rubles will be invested in the new production. And still another figure: this year the output of consumer goods will increase by a factor of 1.4 in the oblast thanks to conversion.

There is no doubt that conversion is a good thing. Throughout almost the entire history of the Soviet state, the country gave its best forces and huge resources to defense. The change in the situation in the world and the perestroika of political thinking in our country made it possible to begin a fundamental reassessment of priorities.

But the realization of what has been conceived by the government sometimes amounts to primitive actions. The ministries decided that it would be sufficient to present to the enterprises a plan for consumer goods in the form of a state order, one involving a substantial increase. The plants supposedly would understand what needed to be done. Neither raw materials nor equipment nor capital investments resulted. What is this—naivety

or a desire to present as progress the attempt to get moving in a railroad car that has been shunted off to the siding?

Central Television has repeatedly advertised the services of Tekhnologiya Scientific Production Association in Obninsk, which offers materials with superresistance to heat to all those interested. Everywhere they sent proposals for the acquisition of the casing that covers the "Buran" space shuttle at an affordable price. Neither metallurgists nor the enterprises of the construction industry showed any particular interest. In curtailing production without the possibility of shifting to really new forms of output, Tekhnologiya Scientific Production Association was forced to produce tennis rackets, the collective, left without work, had to be given something to do.

Here it ought to be explained that this powerful scientific production association is in the jurisdiction of the Ministry of the Aviation Industry and is capable of maintaining the highest world standards in aircraft building. At the plenum of the CPSU obkom recently, General Director of "Tekhnologiya" A. Romashin presented the following example: the reduction of the weight of the country's entire fleet of passenger aircraft saves one million tons of fuel or 10-15 million tons of oil. And the developments of the scientists and engineers in Obninsk reduce the weight of components and elements of "Buran" by 20 to 25 percent. The savings amount to 500 kg on each space vehicle. The transfer of each kilogram to space costs \$8,000. Figure it up yourself....

But it seems that they put the "Buran" in a remote dead-end. They attack it in the press, forgetting that it is just the first swallow. And this is the opportune time to say that the pregress program of the CPSU states: "The acceleration of scientific-technical progress is the main instrument in raising the efficiency of production." Meanwhile, incentives have not yet been established in industry to get people interested in scientific-technical progress and in introducing new equipment and producing the most nearly ideal output. The funds for science going to that same Tekhnologiya Association were reduced by 15 percent in comparison with last year.

It is worthwhile to consider what is happening. In 1986 in the United States, for example, they spent \$117 billion on research and design developments, whereas in 1988 the USSR spent 37.8 billion rubles. Is it any wonder that instead of tasks at the world level, "Tekhnologiya" is now taking on literally anything just to earn money. They make electrical insulators and floors and devise interiors. Meanwhile, the USSR is a major aircraft-building power and, as numerous aircraft shows have shown, it is possible to buy hundreds of looms and thousands of computers and video recorders for one aircraft produced in the country.

The same thing may be said about the Kaluga Motor Building Association. Its output—gas-turbine engines—is unique, for they are made by very few enterprises in

the country. These engines are competitive and they are prepared to accept them abroad. But the plant does not have the right to make such deals, for the state has a monopoly there. And the state, foreseeing conversion, reduces the plan for the basic output by many tens of millions of rubles without doing anything to develop new directions in the work of enterprises. But nothing can be done without a restructuring of technology, requiring different equipment. Series production outfitted with special lines and machine tools cannot be used for anything else.

Let us think about what is happening: in proclaiming the slogan of conversion, the USSR Council of Ministers did practically nothing to support it. In tearing down one thing, we are very timid about introducing anything new. And this leads to just one thing: the enterprises finding themselves in this situation are beginning to see a drain of their best specialists, wages are declining and social conditions are worsening. And it is possible that without having really begun to produce vacuum cleaners, televisions and refrigerators, we will forget how to make aircraft and engines, although through them it would be possible to earn considerable sums for the real development of conversion—and at those same enterprises, acquiring all the necessary equipment with the earned foreign exchange.

But then, still not having obtained appreciable results, the planning bodies are already preparing reports on the successes of conversion. Is that not a familiar picture from the recent past, when for the sake of a brilliant report they could put a power-generating unit into service without a generator, create an artificial sea of no use to anyone or build a plant where no one would work....

The RSFSR Gosplan, having issued a conversion plan to the people in Kaluga, explained that eight enterprises of the oblast are subject to reorientation. They include the Barabanovo Needle-Platinum Plant and the Tovarkovskiy Plant for Textile Machine Building. They will go over to especially peaceful output—one can report to the very top on the great work that was done. But both plants were never involved with "defense."

Conversion is too serious a matter for one to relate to it in such an amateur way. We shut down the flow of extremely complex output produced on the basis of the most up-to-date technology. It is clear that it is difficult to begin to produce passenger airliners immediately instead of fighters or washing machines and vacuum cleaners instead of, say, tanks or cannons. But one cannot, after all, promote tasks that put the collectives in a ridiculous and humiliating position, forcing them to make washing boards, colanders and hangers.

The transition to a new and rather complex peaceful output must be accompanied by the provision of enterprises with new equipment, for the previous equipment, as good as it may have been, is unsuitable in the overwhelming majority of cases. But this is not happening. And in general, conversion at many scientific

institutions and enterprises is now being carried on extremely simply by the government: they cut back the whole line and stop issuing all products at once, without thinking about what the collective will do tomorrow. The financing is stopped even in those cases in which they are just half a step away from completing the work. Cooperation is collapsing, contacts are being lost and basic science and progress are suffering.

I fear that for several years we will ask ourselves why in such a short time the priorities were neglected in a number of branches of science and technology. It is time to have a serious discussion at the meeting of the USSR Supreme Soviet of the situation with respect to conversion and the prospects for reform of "defense." Conversion, yes. But not in the stillness of ministerial offices, when again specific culprits will not be found. We cannot break our swords without thinking about how we will forge plowshares....

#### **Costs of Conversion at Voronezh Missile Engine Plant**

90UM0598A Moscow PRAVDA in Russian 21 May 90  
Second Edition p 2

[Article from Voronezh by PRAVDA Correspondent V. Stepnov: "Not Just Fire Can Fly from a Missile Nozzle..."]

[Text] *The delay in conversion is irritating many. Why, people ask, are these defense industry workers dawdling? Why do they not wish to use their colossal scientific-technical potential for the good of the people? Far from everyone understands that conversion itself demands no small amount of personnel and funds, and that with a conjunctural attitude toward it, it will turn into another campaign.*

The most prestigious enterprise in Voronezh probably is the Khimavtomatika Design Bureau. Despite a dense cover of secrecy, city-dwellers guessed that it had nothing to do with chemical production automation, but they did not speak about the true profile of the production out loud. Now it is different.

"The collective works for space," says A. Konopatov, chief designer and USSR Academy of Sciences corresponding member. "We design missile engines and usually fabricate them together with the Voronezh Machinery Plant. All missiles which inserted cosmonauts into near-Earth orbits were equipped with our engines. We took a direct part in creating the Energiya booster missile hydrogen engine for the Buran craft."

Conversion also extends to Khimavtomatika, i.e., like everyone, it has to reduce basic production and shift to the output of ground products. What kind?

The enterprise has a powder metallurgy production. Very sophisticated imported equipment has been installed here with a cost in six figures. Parts of very intricate configuration and faultless quality are obtained

from super-pure alloys based on titanium and nickel. The Voronezh personnel's product shown last year at the Leipzig International Exhibit-Fair was awarded a gold medal.

And so it is impossible to reprofile this production even if there was every urge to do so. Only that which is being done now can be done here. Manufacturing irons or meat grinders will require dismantling the existing equipment and installing new equipment. The loss to the state in this case will not be compensated by any consumer goods even if they are valued at the level of jewelry. The advisability of retaining the production of powder metallurgy and opening up the doors to orders from the side is obvious. In the final account, cooperation of "PO Box" installations with open enterprises also is conversion.

Alas, there is ill luck here as well. It turns out that defense industry workers have gone so far in S&T development that their technologies can be used widely in enterprises that are related in level, and under our conditions this means also related in specific nature. For other enterprises it is only in exceptional cases. Inasmuch as there are few orders and basic production has been reduced, capacities in the ultramodern building are underloaded. Thus conversion already has resulted in losses.

One might ask what is hampering the sale of basic products under present conditions of an acute currency shortage? In the final account missile engines also are commodities. Conversion cannot be regarded as a mandatory break-up of organized production and turned into a goal in itself. Countries which are developing outer space most likely show an interest in our engines.

"And why not?" A. Konopatov answered the question with a question. "The export of missile engines is a guaranteed and prestigious method of earning currency, with a handsome profit for oneself and for the state and without detriment to the country's defense might. But this is a question that is not within my competence. It can be resolved at a government level."

The chief designer's words were recalled in the building where Design Bureau officials had accommodated a tricot factory. The missile engine testers demonstrated what women's blouses they had mastered. I turned the simple little things over in my hands and imagined how much highly fashionable clothing and footwear, the most modern household equipment, and other goods in short supply could be purchased with money made from the sale of just one engine.

#### **Roundtable on Conversion Problems in Perm Oblast**

90UM0598B Moscow SELSKAYA ZHIZN in Russian  
19 May 90 p 2

[SELSKAYA ZHIZN roundtable discussion recorded in Perm by SELSKAYA ZHIZN Correspondent V. Tatarenkov: "Conversion"]

[Text] *The Urals are called the country's enormous industrial armory and Perm Oblast is one of its sectors. As is happening everywhere, many defense plants here now are being shifted to the production of consumer goods. Today it already accounts for over half of the overall production volume.*

*Included in the product list of articles is equipment for the food and processing industry. It is the defense industry that is to reoutfit a very important sector of the national economy. Frankly speaking, however, it is performing this task for now without special enthusiasm: conversion is going extremely slowly and there are many difficulties in its path.*

*How can they be overcome? Officials of Perm enterprises, scientific establishments, and economic and party entities talked about this in a roundtable discussion.*

#### **The Ice Has Been Broken**

[A. P. Bychkov, chief of the CPSU Obkom Defense Industry Department] Conversion... This unquestionably is an enormous blessing from any standpoint, but it also means great problems. We are seeking a way to solve them. A special working group has been set up under the party obkom and it coordinates efforts in this direction. A block diagram of the conversion process has been drawn up. We are trying to improve its efficiency, such as by expanding cooperative ties and developing new science-intensive products for civilian purposes. Our enterprises now are producing around a hundred kinds of articles for the agro-industrial complex based on orders from ministries and from the oblast soviet ispolkom.

[V. A. Novikov, chief of a department of the Oblispolkom Planning-Economic Administration] I would not say that the number is indicative, although production volume based just on oblispolkom orders now is growing to almost three million rubles, which is twice that of last year.

[Bychkov] I am far from thinking that defense enterprises have been successful here. Figuratively speaking, they have just stepped onto this field and are only planning how to plow it. Potential opportunities are great, but clearly are not being used. Why?

Let's say the stereotype that products for the agro-industrial complex allegedly are so-so, trifles, hampered us until recently. But the person who already has come to grips with it has realized that it largely can correspond to the level of defense enterprises in technology and complexity.

[R. M. Mukharyamov, director of Perm Milk Combine] We recently purchased an OKL-25 refrigeration-pasteurization unit made by the Votkinsk Machine Building Plant. This unit is no worse in characteristics than import analogues.

[B. I. Budnik, chief engineer of the Motorostroitel Plant] Defense enterprises can fabricate competitive products.



One only has to undertake it, as they say. For example, together with related plants we put out lines under West German license for producing the highest grades of caramel. On seeing how it was done, those same Germans now are asking us to sell these lines to them.

[I. L. Oleynik, deputy chairman of the Oblast Agro-Industrial Committee] Of course, that which was produced by the former Ministry of Machine Building for the Light and Food Industry and Household Appliances has no comparison in quality with machines manufactured, for example, by the Plant imeni Dzerzhinskiy. But the trouble is that this plant and other defense enterprises are unwilling to replicate equipment for various sectors of the agro-industrial complex. For example, had our plants accelerated the output of a batchmeter, sifter, moulding machine and roasting cabinets, even now it would have been possible to organize small-capacity confectioner's shops in many rayons and on many farms, but for now only the first units of such equipment have been received.

True, just three years ago we could not even dream of this. Nevertheless, the ice has been broken, but in my opinion we are still far from the real thing.

Here are typical data. According to a resolution of the oblast soviet ispolkom and a decree of the party obkom bureau, it was planned to manufacture 174 pieces of equipment for the oblast meat, dairy and food industry as well as 1,305 units of various spare parts. For now only 24 pieces of equipment and a very insignificant number of spare parts have been made. The oblast is doing little with the enormous industrial potential and with the adjusted production of equipment unique both in complexity and in accuracy class in order to move the retooling of the agro-industrial industry forward in a planned manner.

And if we take the country as a whole? According to my understanding, it would have been possible long ago to make large quantities of various equipment so that there would be enough of it for the processors and food industry workers.

[Bychkov] I am troubled by the fact that many are beginning to build some kind of illusions that, having unfolded conversion, we immediately will resolve numerous burning questions—we will saturate the consumer market with goods and move development of civilian sectors of production forward. As I already said, conversion today is above all a large tangle of problems—economic, social and psychological—that have arisen in all their magnitude for the defense enterprises. It must be remembered that not one of them is being subjected to complete conversion, but the enormous reduction of military orders places them in a difficult, oftentimes dead-end, situation.

[V. I. Krasnov, deputy director of the Mashinostroitel Plant] In comparison with last year, our output volume of the basic product now is decreasing by 18.5 percent, and profit is being cut in half.

[Budnik] You can't immediately make up for such a reduction. We doubled the output of consumer goods over the last four years, and subsequently we have been maintaining a high pace—within limits of 30-40 percent annually. Manufacture of civilian products also is increasing.

[Krasnov] Under conditions of self-financing, to which the plant shifted last year, the drop in profit above all affected the economic incentive fund and social development fund. They were reduced by approximately the very same proportion. To ensure planned construction of housing and cultural and everyday service facilities we are forced to take R3.6 million from the production development fund. And we stripped it bare! In other words, we are cutting off the limb on which we are sitting: we are sharply narrowing opportunities for retooling and renovation of production. A closed circle results.

Unquestionably a portion of those funds freed up as a result of reduced expenses for defense should be left in the defense industry for reprofiling production.

#### In All Its Magnitude

[Bychkov] An understanding that conversion is a costly matter clearly is not seen, although it would appear that it should be understandable that despite a sharp decrease in output of military products, the equipment, outfitting and attendant personnel remain the very same. But where, how, and on what areas new production is to be organized are questions demanding not only solutions, but also capital expenditures.

[B. N. Vetrov, deputy chief engineer of the Scientific Production Association imeni Kirov] For the second year now we have been putting out a rotary table for packaging fruit. And what do you think? They spread out through the tool, repair, and other shops which work on nonstandard products. Many questions would not have arisen if there had been a special flow line for this, and things would have been simpler with requalification of cadres.

[Bychkov] Here is yet another problem. There are superb cadres in the defense industry. People know their jobs thoroughly, but often have a very vague idea of just what consumer goods are or what equipment for the agro-industrial industry is.

[Vetrov] Yes, we all are retraining, from worker to director. At our enterprise the proportion of civilian products and consumer goods in the overall production volume now should grow to 50 percent. Even now we are providing some 30 items to the counter. But just what are consumer goods, for example? They are demand and market conditions. But we are not accustomed to this; we have become accustomed to a guarantee that the client will take the product without fail. Now, however, we must see to it that the purchaser takes our goods on a guaranteed basis, but often there is no confidence in this,



for we are only just gaining experience in accounting for consumer market conditions.

There is also no confidence in stability of the sale of civilian products. The demand is poorly studied and the genuine requirement and market capacity have not been identified. As a result it is difficult to imagine whether or not it makes any sense at all to create those same specialized flow lines of which we spoke earlier. And so it is necessary to manufacture products on all-purpose precision equipment, which in turn is reflected in its production cost and sales prices.

[Mukharyamov] Frankly speaking, the defense industry workers' prices are too high. Here is a typical feature. We once agreed with one of the plants on manufacturing a hundred pinions of a type in short supply. The state price for such a spare part is 7 rubles and a few kopecks. That is why I could not believe my eyes when the estimate was sent from the plant. How much do you think they asked of us for each pinion? R341 each!

[Budnik] That is nothing surprising. Such are the conditions: either you yourself remain the loser or fleece the consumer. For example, our plant was assigned to master production of a flour sifter in great demand in the baking industry, but an inexpensive one, only R500 each. We mastered it and over the past year we suffered a loss of R300,000 on this.

[Novikov] And the cooperative deliveries also do their bit. Here is how things stand in the defense sector: a ministry as a whole puts out a particular line, and not some individual plant. The production of set-completing parts is scattered throughout the country. It is clear that this increases overhead and affects prices.

[Oleynik] Wasn't it better to single out a certain number of plants from the defense sector and reorient them for producing equipment and technology for the agro-industrial complex?

[Bychkov] But the fact is that even with the existing incomplete nature of conversion, the enterprises' established vertical and horizontal connections in material and technical supply and in engineer developments are being severed. And what awaits them if they are singled out? The problems, as we see, are intertwined in a tight knot.

[Krasnov] Here is another problem. The products are becoming more costly inasmuch as amortization and expenses for upkeep of management services and staff are remaining at the previous level. Therefore we now are forced to examine the question of reducing the collective, otherwise we will not be able even to pay the people. The shortage of the wage fund for the existing table of organization is approaching one and a half million rubles. Capabilities have decreased for giving bonuses, providing financial assistance and fulfilling social programs.

[Vetrov] Questions of social protection of labor collectives in the process of conversion were not taken into account.

[Oleynik] I can confirm that. In meeting with electors I often visit the Plant imeni Lenin, for example. I hear what they are saying there. Workers and specialists have to engage in unskilled labor. Earnings have dropped. People are dissatisfied and are being dismissed.

[Krasnov] That is the same with us as well. In two years around 1,000 persons overall have been dismissed. They leave for the sphere of services, for cooperatives...

[Budnik] We of course are incapable of taking pay up to a thousand rubles a month as in some cooperatives. We cannot hold onto cadres, and the necessary highly skilled ones above all, without assistance. We need at least a small compensation for the losses suffered in the course of conversion, but for now we are being refused and the consequences are difficult even to presume. It will be inexcusable if we lose a collective that is close-knit, that works well and that has mastered the most sophisticated technologies. This is what is important.

[V. N. Zadorozhnyy, deputy director of the USSR Academy of Sciences Ural Department Institute of Economics, doctor of economic sciences] Of course there must be some kind of stages in this matter. If we abruptly removed the customary products on unprepared soil, then we also should have thought in advance about what will be substituted for them, how, and at the expense of what, at least for a temporary variant while more substantiated and thoughtful decisions are being worked out and made. And then place really modern civilian products into production, but this time with a good study. You will not do this at the moment.

Financial support also is necessary, that is clear, but in what form?

Late last year we were working at one of the Minatomenergoprom [Ministry of Atomic Power Engineering and Industry] enterprises. There, too, profits dropped and all funds including the wage fund fell proportionately. But enterprise heads made several trips to the ministry and in the final account got the money after a lot of trouble. The planned level of wages was ensured and they even paid a 13th with a reduced output of the main product and quite an insignificant substitution of civilian products for it.

How are we to treat this? Probably it was done correctly, but in this case I am troubled by the possibility of the collective's demobilization, because if a director can make a trip to the ministry and bring back half a million of wage fund, then why stubbornly hold out? Well, make another trip, and another, and he will bring it back. If he doesn't, well then why do we need such a director? It seems to me that this is what has to be feared.

### With Naked Sword

[Bychkov] Conversion problems reflect the country's problems, but the approach to it is insufficiently thought out. Again there is the desire to take it at a sloop, without a precise determination of strategy.

[Zadorozhnyy] The probability of some kind of muddle or chance happening, especially at first, is considerable and real. The fact is that the defense sector received all these assignments unexpectedly while fulfilling five-year plans imposed long ago. Of course, out of fright everyone rushed to look for something they could get their hands on.

[Budnik] And they fell into another extreme. The Congress of People's Deputies also spoke about this. They force the giants of industry producing the most sophisticated products to deal with some kind of coffeegrinders like a provincial workshop. What a paradox! In the final account, if one put good thought into it one could have suggested somehow using much of what is produced by the defense industry for peaceful purposes in civilian enterprises. But as always, no one thinks about this, we live from day to day.

[Vetrov] In fact the list of articles, including for the agro-industrial complex, largely was determined spontaneously. Take those same fruit packaging lines. They said that it seems no one is making them yet, so go ahead and do it!

[Ye. S. Sapiro, chief of USSR Academy of Sciences Ural Department Institute of Economics Perm Department, doctor of economic sciences] Pressure results, and we don't know by what principle. By the way, it is not difficult to give it a name: it is the principle of the campaign, the fashion. There was an assignment, it was scattered through the ministries and the ministries scattered it through the enterprises. Purely an administrative scheme, but consideration for the consumer's interests and his interaction with the manufacturer are absent. What also strikes the eye is the relapse of megalomania: there is not even a hint of satisfying the needs of lessees and farmers. This is another disadvantage of product-list policy in the course of conversion.

[Zadorozhnyy] Production of equipment for the agro-industrial industry is being organized in that Minatomenergoprom enterprise which we were dealing with. As I understood it, they are guided there not only by the assignment sent down by the department under a state order, but they themselves are studying the market's capacity for the product they are manufacturing. They determined, for example, that with sights set on appropriations allocated to the non-Chernozem area it is possible to count on the sale of 200-250 feed grinders a year. Considering the prospects for development of leased and private farms, they concluded that the production of a feed grinder of smaller size was advisable.

[Mukharyamov] We also are showing initiative for our part, for example. We concluded cooperation contracts

with defense enterprises and organizations and we are figuring on mechanizing and automating a number of technological processes.

[Sapiro] Such approaches are more the exception than the rule. For now there is no specific overall policy either in questions of identifying agro-industrial market conditions or in questions of stimulating economic incentive of defense enterprises for retooling the agro-industrial complex.

[Novikov] One can say more. Conversion, especially locally, including in Perm Oblast, is characterized by an uncontrollable nature. The GlavPEU [Planning and Economic Main Administration] and the oblispolkom of course give assignments, but all this is difficult and encounters resistance. Defense industry workers often fear to reveal their capabilities just so they aren't forced to do something extra.

[Oleynik] We are still being forced to enter into some kind of mutually profitable economic ties with industrial partners, but the agro-industrial complex even so sacredly performs its duty, supplying the city each day with various food products. And industry must give the agro-industrial complex everything without any deals so that we can increase the output of these products.

[Sapiro] It seems to me that many conversion troubles and the lack of understanding of its problems stem from the psychology of relations between the defense sector and agro-industrial complex. For now this is a psychology of our customary sponsorial, almost uncompensated assistance, like pulling carrots or cutting cabbage.

But there should be some kind of middle-man structure between them that reacts sensitively to needs of the agrosector. What do I mean by this? The agro-industrial complex has its own S&T structures and the sectors being converted have their own. On their basis it would be possible to set up a planning-technological symbiosis, let's say a competitive institute which would operate on direct orders and would be both a middle-man and an expert on agro-industrial market conditions, i.e., quite a different principle of relationships than now.

[A. S. Malafeyev, director of Perm Scientific Research and Technological Institute, candidate of technical sciences] Our ministry raised the question of taking one of the agro-industrial institutes under its wing, which really would make it possible to improve work. But for now the consumer's needs are not being determined by anyone—there is no echelon coordinating our actions. It has to be set up as quickly as possible so that the agro-industrial complex comes closer to us and we master what it needs. How is it done now? They gave us an assignment to design some one assembly, but the entire technological line that was conceived is not being looked at because its other assemblies are scattered through other institutes and design bureaus. The quality of developments suffers from this and we may not obtain the expected result.

[Zadorozhnyy] I would add that conditions for mutual interest have not been created, for today you will not find representatives of the agro-industrial complex thronging at the defense enterprises. As a rule, complex equipment is designed, equipment to which the agro-industrial complex is not yet accustomed. But perhaps this is a chance to take a serious leap forward.

[Malafeyev] Here is an example. Today at canneries cans essentially are filled manually. We designed and are creating an automatic machine which will "shoot out" 180 cans a minute. The step from the ladle to such a rotor is unquestionably a leap for which it is necessary to prepare.

[Zadorozhnyy] But there also has to be an incentive for such a leap. On the other hand, you will not say that particular desire to work for the agro-industrial complex has appeared in the sectors being converted. They are simply being forced by the fact that this is being entered in the state order.

Of course some kind of mechanism of mutual interest is necessary. Its absence can lead to a situation where we produce a great deal for the warehouses but only a little of this will be used.

[Novikov] In my opinion only a state conversion program is capable of ensuring a mutual tie-in of all sides' interests. Its strategy must be worked out at the level of the government and not of ministries. Ministries and enterprises deal with questions of tactics.

There is much talk in the defense industry workers' environment about the need for adopting a Law on Conversion. True, the attitude toward this is ambiguous, but one thing is clear: it is impossible to resolve such a complex process without state legal regulation.

[Bychkov] Unquestionably there has to be a set of measures, including establishment of a most-favored regime for manufacturing products intended for the agro-industrial complex: on taxation, the wage fund, resources, prices...

Many burning questions were raised in the letter from the heads of our sphere to USSR Council of Ministers Deputy Chairman I. S. Belousov. Measures now are being taken.

One can believe that the conversion flow will successfully be transferred from a spontaneous state into a reliable channel through common efforts. And this will bear good fruit.

## MAJOR CROP PROGRESS, WEATHER REPORTS

### Supply, Support Difficulties Impede Harvest Campaign

#### Official On Fuel Shortages

904B0267A Moscow PRAVDA in Russian 23 Jul 90  
Second Edition p 1

[Interview with N.V. Krasnoshchekov, deputy chairman of the State Committee for Food Goods and Purchases of the USSR Council of Ministers, by K. Lysenko; date and place not specified: "Will the Harvest Be Saved?"]

[Text] Judging by mail sent in by readers, the harvest situation is viewed by many as alarming. The Editorial Board is receiving letters and telegrams from cities and villages: in them, the writers ask about the harvest. Will we be able to save it? Their concern is understandable. What can we say that will please the readers? Such was the question that launched our discussion with N.V. Krasnoshchekov, deputy chairman of the State Committee for Food Goods and Purchases of the USSR Council of Ministers.

[Krasnoshchekov] What can we say that will please them? There is still only one reply: an excellent harvest is at hand. Harvest operations are being carried out in practically all of the republics. Throughout the country as a whole, the grain yields are more than three quintals greater than those of last year. And in Russia—greater by 10 quintals, in Kazakhstan—by 4. Never before have we had such grain at our disposal. And yet never before have we encountered such difficulties as those confronting us today. The rates for cutting and threshing the grain are one and a half times lower than those for last year.

[Lysenko] What is the problem?

[Krasnoshchekov] In many instances, a peasant is left to handle his crop alone. During the first six months, agriculture was undersupplied to the tune of 176,000 tons of gasoline and 462,000 tons of diesel fuel. What do these figures tell us? Sixteen million hectares will not be harvested. Insufficient deliveries of gasoline—25 million tons of grain will not be transported in a timely manner from the fields. The loss figures will be tremendous and close to the volumes of grain purchases abroad.

[Lysenko] But can we expect an improvement in logistical supply?

[Krasnoshchekov] Yes. But look at what is happening. The rural areas are suffering for lack of fuel while industry at the same time is being allocated 665,000 tons of gasoline and almost one million tons of oil over and above its limit.

[Lysenko] Several weeks ago, a decree of the USSR Council of Ministers was adopted. It calls for a number of measures aimed at providing agriculture with special assistance. Have there been any changes?

[Krasnoshchekov] Very negligible ones, although not enough time has elapsed to justify a final evaluation

[Lysenko] What does the State Committee for Food Goods and Purchases intend to do in this situation?

[Krasnoshchekov] Unfortunately, we hold in our hands only very weak levers. At the present time, material and economic incentives have been issued to the republic and oblast organs. Moreover, everyone was pleased when the union "offices" were disbanded. As a result, it turns out that the rural areas have many organizations at their disposal and yet not one of them is responsible for the overall status of affairs.

#### From the Editorial Board.

Such is the opinion of one of the leaders of the country's agro-industrial complex. It can be truthfully stated that it is not a very promising one. As revealed during the interview, the central organs are incapable of controlling the situation. Who today in the country is responsible for the harvest? Who coordinates the work of the grain growers? Meanwhile, the situation out on the fields is critical. Only by common efforts will we be able to correct it. Everyone agrees that agriculture requires assistance. There is no other solution. If this fact is not recognized, we could again be left without grain despite an abundant harvest.

How long must we wait?

#### People's Control Committee Cites Problems

904B0267B Moscow SELSKAYA ZHIZN in Russian  
24 Jul 90 p 1

[Article by G. Piskarev, leading inspector of USSR People's Control Committee: "Combines Are Idle Out On The Fields"]

[Text] When hunting, the dogs must be fed. This saying comes to mind at the beginning of each harvest campaign, at which time we suddenly become aware that our combines and harvesters have not been prepared fully for the harvest work and that there is a shortage of fuel. It comes as a surprise to learn that at the peak of the harvest season in a country that exports fuel abroad, machines and harvesting assemblies are standing idle out on the fields because of empty fuel tanks. Then there is Japan, which operates completely on the basis of foreign gasoline and oil, that has no knowledge of this problem or concept. Deserving of mention also are the FRG and the U.S.A., where a large percentage of the fuel is purchased.

Why are we troubled by this problem? And are we generally capable of harvesting our crops without losses and in a timely manner? In response to a request by the president of the country, the People's Control Committee of the USSR attempted to obtain answers to these



questions, after extending an invitation last Saturday to executives of those departments and organizations responsible for supplying considerable logistical support for the harvest campaign.

Alas! Nothing like this was ever before expressed during a meeting. With regard to fuel, USSR Gosplan [State Planning Committee, just as earlier, settled accounts based upon the desired amount and not the actual amount of petroleum extracted. Gosplan [State Committee for Material and Technical Supply] distributed this mythical amount. In reality, the production of fuel and lubricating materials declined during the first six months period compared to the same period for last year and the agro-industrial complex was undersupplied with gasoline in the amount of 176,000 tons. The fuel reserves declined sharply in this regard. Thus, on 20 July, at petroleum bases and an AZS of Rosnefteprodukt, the gasoline reserves amounted to 110,000 tons. This amounted only to the daily requirement.

It would seem that this situation should have been foreseen and yet for the time being they had to tolerate a tempting deception. Certainly, fuel difficulties arise in the rural areas and are caused by the local leaders, who distribute the fuel (in accordance with a 100 percent goszakaz) obtained for the kolkhozes and sovkhozes for use for other purposes. Although it is possible to understand them: for the goszakaz ensures only 75 percent for the "other purposes."

A sensible thought was mentioned during the meeting: give the regions all of the fuel authorized for them—without a gradation for "rural areas" or "national economy." Let them handle it at their own discretion, realize economies and handle their accounting in the best possible manner. Under self-governing conditions, such a measure would be logical. But, as the saying goes, this is for the future. Incidentally, in the future, when planning their fuel deliveries, the peasants should take into account the productivity of their crops. This year the grain crops developed in a fine manner. For example, 52 quintals per hectare are being obtained in the Kuban region. Consequently, the shipping operations are tense. A need exists for more vehicles, freight cars and fuel.

Nevertheless, it would be more efficient if the central departments could avoid many of the problems existing at the present time. Indeed, look and see for yourself what is happening: even the available fuel is not always being delivered to the addressee in a timely manner. Roughly 140,000 tons of automobile gasoline and 80,000 tons of diesel fuel were not shipped from the Saratov, Volgograd, Perm, Bashkir and Novogorkiy petroleum refining plants through fault on the part of the railroad workers. There were not enough tank-cars. The shortage amounted to no less than 4,000 such cars.

This type of situation is being repeated from year to year. It is happening owing to the fact that the USSR MPS [Ministry of Railways] and the railroads are not solving the problems concerned with improving the work of the

washing and steaming stations or bringing to a halt the crude violations occurring in the system for preparing the transport documents for the shipping of empty tank-cars, and so forth.

Nor is the problem restricted only to the tank-cars, but rather it concerns also the freight cars used for transporting the grain. Proper measures for creating a reserve of these cars were not undertaken in a timely manner. Moreover, the condition of the branch's freight cars has reached a critical level. Meanwhile, the volumes of depot and plant repair operations are declining. And the losses in loading resources have increased even more here as a result of the systematic accumulation of freight cars loaded with export goods at maritime ports and border railroad stations. In the maritime ports, for example, approximately 2,500 freight cars remain unloaded each day. The reason—a lack of warehouse facilities. Although more than 400,000 tons of unsold freight are stored in these warehouses over a period of three months time.

There are no justifications for all this. Although the USSR KNK [People's Control Committee] has agreed with a number of opinions which hold that, given the existing situation for supplying the APK [agro-industrial complex] with fuel, it is advisable to halt export deliveries of gasoline and use a portion of the state reserve, nevertheless the ministries and departments are still held responsible.

The USSR People's Control Committee, which operates today under the direction of the USSR Supreme Soviet, intends to return to this question during the early part of August and in particular to see how those executives who are directly responsible for the fate of the harvest are holding to their word. I believe that it makes sense to mention their names. They include the 1st deputy chairman of the State Committee for Food Goods and Purchases of the USSR Council of Ministers M.L. Timoshishin, the RSFSR deputy minister of agriculture V.M. Belchenko, the deputy chairman of Gosplan A.A. Troitskiy, the 1st deputy minister of Minavtoselkhoz-mash [Ministry of Automotive and Agricultural Machine Building] E.A. Kalinin, the deputy chairman of USSR Gosplan V.N. Kostyunin, the USSR deputy minister of railways A.Ya. Sidenko, the deputy minister of the USSR Chemical and Petroleum Refining Industry V.Ye. Popov, the deputy minister of the USSR Maritime Fleet L.P. Nedyak, the 1st deputy chairman of the administration for the Rosnefteprodukt Concern V.M. Kolesnikov and the deputy chairman of the All-Union Foreign Economic Association Ekspromkhleb M.N. Ageyev.

## Grain Procurement Progress, Economic Stimuli Discussed

### Procurement Shortfalls Projected

904B0263A Moscow SELSKAYA ZHIZN in Russian  
13 May 90 pp 1-2

[Article by I. Kuzmin, Candidate of Agricultural Sciences, Moscow Oblast: "Grain in the Field and in Granaries"]

[Text] Recently, during an appearance on the television program "Good Evening, Moscow!", Mikhail Zadornov joked that he did not know where the state's granaries are located. And certainly we have some. As a joke, this is viewed as a portion of the truth, particularly in recent times.

At the present time, it can generally be said that the population in any corner of the country is able to purchase bread and bakery products baked by enterprises of the union republic grain products ministries and consumer cooperation. One fact is worthy of note—our grain is being sold at very cheap prices. International practice has never before seen such prices!

As is known, the state grain resources are formed mainly on the basis of purchases made in accordance with contractual agreements by kolkhozes, sovkhozes and other farms and also through imports. Moreover, there have been many critical comments, including some by USSR people's deputies, regarding grain purchases abroad and irrational expenditures of money for this purpose. But if we examine this problem more closely, then it turns out that given our modern economic conditions and production level, the purchasing of grain on the foreign market is an objective need.

We will attempt to point out the actual status of affairs using the current five-year plan as an example.

Over the past four years, although a definite increase has been noted in production, still no substantial improvements have been recorded in the development of the country's grain economy. Compared to the planned figure, the country's average annual grain yield was 90 percent and compared to the 11th Five-Year Plan the productivity of the grain crops increased by 3.1 quintals per hectare, while at the same time the areas devoted to these crops declined by six percent. According to the most humble estimates, the farms obtained more than 12 million less tons of grain annually. Farms in the Russian Federation and Kazakhstan—our principal grain areas—failed to obtain large quantities of grain. This affected to a considerable degree the procurement volumes and the formation of the country's state grain fund. The goszakaz [state order] for the last years of the five-year plan was fulfilled by only 78 percent and the state's granary was undersupplied by almost 75 million tons of grain. Some farms in the RSFSR, Kazakhstan, the Ukraine, Uzbekistan, Moldavia and Estonia are under a great obligation. Grain procurements last year were especially unfavorable, despite the fact that five million more tons were harvested than the average figure for the four preceding seasons. The amount sold to the state was less by nine million tons. The goszakaz was fulfilled by only 68 percent and the marketability of grain production amounted to 28 percent. Farms in the RSFSR and Kazakhstan undersupplied the state by more than 26 million tons of grain. True, this circumstance was occasioned in a number of regions by drought conditions. However, there were also regions which

obtained their planned yields, but ignored their contractual obligations for the sale of grain, thus placing the state in a difficult situation. For example, let us take Krasnoyarsk Kray. Last year, 17.1 quintals of grain were obtained here from each hectare, the harvest was 190,000 tons less than the figure planned, or five percent, and only 706,000 tons were sold to the state. This was slightly more than one half of the planned amount to be sold on the basis of contractual obligations. Of the 15 regions which fulfilled their production plans, only six fulfilled the goszakaz for grain deliveries.

It is clear that some farm, rayon and oblast leaders have their own understanding of the independence that has been granted to them. As a result, the grain procured in 1989 covers only one half of the country's requirements. Where will the other half come from? At the present time, the realization of the program for supplying the population with diverse grain products has become complicated as never before owing to the fact that strong wheat procurements are 65 percent of the plan, durum (1st grade) wheat—40, buckwheat—54, rice—92, peas—39, oats—49, and brewing barley—43 percent of the plan. In order to prepare the menu, we must seek assistance from the foreign market.

The prospects for this current year are not very cheerful. As is known, the organizing principle for grain procurements for the state's resources is the concluding of contractual agreements between the kolkhozes, sovkhozes and grain receiving enterprises. They concerned themselves with this work mainly during the first quarter. But it is still being carried out in a disorganized manner in a number of areas. Grain contracts have been concluded throughout the USSR as a whole for only approximately 80 million tons.

Under conditions in which it is legal to accept a goszakaz for the delivery of agricultural products to the all-union and republic funds, many kolkhozes and sovkhozes are concluding contractual agreements for the sale of grain in considerably less volumes than called for in the five-year plan for 1990. As a result, for example, prior to the beginning of the second quarter the farms in Orenburg Oblast had concluded such agreements for 700,000 tons, Saratov Oblast—for 670,000, Volgograd Oblast—for 500,000, Kuybyshev Oblast—for 270,000, the Altay Kray—for 330,000 and Krasnoyarsk Kray—for 240,000 tons. This is less than the amounts established in the goszakaz.

Many negative examples have been uncovered in the organization of the work concerned with the drawing up of these agreements. Thus the Council of Ministers for the Bashkir ASSR, in a special decree, approved a state order for the delivery of two million tons of grain, or less by 350,000 tons than the figure called for in the decree by the RSFSR Council of Ministers. However, even this lowered goszakaz, as early as the planning stage, was doomed to non-fulfillment, since many farms refuse to conclude contractual agreements for grain purchases.

The Kuybyshev oblispolkom [oblast executive committee] also violated the mentioned decree and, based upon its own decision, approved a delivery of grain to the state resources in the amount of 1,200,000 tons—less than the state order by 200,000 tons. The Primorye Sovkhoz alone contracted for only 2,300 tons of grain, or 38 percent of the goszakaz. Many farms in Saratov Oblast are concluding contractual agreements for the sale of grain in considerably less volumes. Incidents of farms refusing to engage in grain contracts are occurring here in a number of rayons and particularly in Ozinskiy, Dergachevskiy, Perelyubskiy and Saratovskiy rayons.

Orenburg Oblast is "on strike." Thus the Sol-Iletskiy rayispolkom [rayon executive committee] approved a state order for the purchase of 94,500 tons of grain, or almost 25 percent less than the volume of purchases established by the oblispolkom [oblast executive committee]. In this rayon, the Trudovoy Aktiv Kolkhoz concluded an agreement for only 53 percent of the grain planned for sale, and the Druzhba Kolkhoz—for an even smaller amount. A similar trend is being observed in Orenburgskiy Rayon. And a rather independent stand has been taken by the APK [agro-industrial complex] leaders in Tula, Rostov, Amur, Voroshilovgrad, Crimean, Odessa and Ternopol oblasts and in the Moldavian and Udmurt autonomous republics, where the conclusion of agreements has for the most part been discontinued.

Will it not develop that the farms will be forced to expand the exchange of goods for goods and set forth on a path leading to regression in economic relationships, a path which recently has come into more widespread use.

At the present time, with the USSR Council of Ministers having adopted a decree calling for new and higher purchase prices for grain that are stimulating considerably the sale of grain to the state, the conclusion of contractual agreements must be increased noticeably. And the procurement specialists are under an obligation to display appropriate activity.

The mass sowing of spring crops is underway throughout the country and thus importance is being attached to dotting the last i's in the contractual agreements in a more rapid manner. Later, when the final foundation is laid for the new harvest, it will be more difficult to accomplish this.

### Harvesting, Procurement Problems Reviewed

904B0263B Moscow SELSKAYA ZHIZN in Russian  
21 Jul 90 p 1

[Article by Nikolay Osychkin: "Grain In Need Of A Granary"]

[Text] At the present time, it is a busy period out on the country's fields. The harvest operations have commenced in many economic regions. According to a report by USSR Goskomstat [State Committee on Statistics], by 16 July grain and pulse crops (excluding corn)

had been cut down on 13.5 million hectares and threshed on 11.3 million hectares. These figures are 6.8 and 5 million less respectively than those for the middle of July last year. The harvest rates are being held back by frequent rainfall and inadequate production equipment.

This is placing a requirement upon the farm leaders and specialists for improving labor organization in each brigade and team and for maneuvering the harvesting machines and motor transport equipment in a more efficient manner. It was precisely this type of work organization that enabled the Kuban farms to thresh their grain quickly on more than 1.5 million hectares and to obtain 52 quintals of grain from each one of them—10 quintals more than last year and to consign to the state's granaries more than two million tons of high quality wheat and barley grain. The harvest operations are being carried out in a rapid manner in Stavropol, the Don region, the southern Ukraine and in a number of other areas.

The high yield, with the average grain yield at the present time being 32.7 quintals, and the renovated combine pool are making it possible to intensify the rates, to improve the quality of the harvest operations, to prepare the grain actively on the threshing floors and to consign it to the state, kolkhoz and sovkhoz granaries without delay. However, on the whole only slightly more than 7.6 million tons of grain have as yet been procured. This includes 4.1 million tons sold by farms in the RSFSR, 2.8 million tons in the Ukraine and 286,000 tons in Kazakhstan. Meanwhile, more than 40 million tons have already been threshed at kolkhozes and sovkhozes throughout the country. And the difference between the quantities harvested and sold is constantly increasing, a fact which is arousing alarm with regard to the creation of reliable food and feed resources throughout the country.

Today, in order to meet all of its requirements, the state must procure 85.3 million tons of grain. Nothing less is acceptable: interruptions may occur in supplying the population with grain and in satisfying other needs. Despite this fact however, some kolkhozes and sovkhozes have still not concluded contractual agreements. The shortage amounts to nine million tons. Farms in Central Asia and southern Kazakhstan and some kolkhozes and sovkhozes in the Ukraine and Moldavia are slow in selling their grain. And this is occurring despite the fact that this year the purchase prices for grain have been raised considerably and factors have been created for stimulating the sale of above-plan products. Importance is being attached to making full use of economic incentives in connection with grain sales, making more transport vehicles available for transporting the grain and organizing operations on the threshing floors and at elevators in a better manner. On the other hand, the state and trade organs must carry out counter sales with the farms for their deficit goods. The Editorial Board is receiving letters indicating that many kolkhozes and sovkhozes have still not been assigned motor vehicles, tractors or construction materials even

for last year's grain, sold over and above the plan. Thus they are in no hurry to sell this year's grain.

SELSKAYA ZHIZN has been informed that the work of harvesting and transporting the grain is being held up in a number of areas owing to poor support for the farms in the form of fuel-lubricating and other material resources. But the situation is changing only slowly for the better. According to data supplied by USSR Gosstat, during the first 10 days in July the kolkhozes, sovkhozes and other enterprises and organizations were undersupplied, compared to the planned norm, by 67,000 tons of motor vehicle gasoline and 238,000 tons of diesel fuel. And this was at the height of the harvest season! Overall, they were undersupplied during the first six months by 943,000 tons. Serious signals regarding the idle time of motor vehicles and combines out on the plowed strips are being received for this very reason from Kherson, Nikolayev, Crimea, Zaporozhye, Kirovograd, Vinnitsa, Chernigov and Poltava oblasts. Gasoline has not been shipped from Semipalatinsk to Aktyubinsk Oblast, where the harvest work has unfolded on a mass basis.

Just as in the past, a shortage of component parts and units for agricultural machines is being experienced. The Rostselmash PO [production association] shipped 1,200 combines to consumers without batteries. Two thousand more combines are lying idle on the plant's territory. Meanwhile, these machines are being awaited impatiently out on the fields. For some obscure reason, the work of the battery plant in Komsomolsk-na-Amur has

been halted during this busy season. The deliveries of these products on the basis of imports has also declined considerably.

Through the newspaper, the agricultural workers are addressing an appeal to the machine builders in the cities of Chimkent, Baku and Yerevan asking them to correct the situation with regard to the supplying of spare parts and components. Kustanay Oblast needs 7,000 tires for completing its KamAZ automobiles, Chimkent Oblast—100 turbo-compressors for the SMD-60 engines and 2,000 filter-cartridges, and Pavlodar Oblast—400 conveyor harvesters for its KSS-2.6 combines. On farms in Kherson Oblast, owing to the absence of harvesters, the new Yenisey combines are lying idle. In Rostov Oblast, there is a shortage of blades for the cutting units of the ZhVN-6A harvester. Despite a six month supply of 120 OVS-25 heap purifiers, 80 SM-4 seed cleaning machines and 383 grain throwers, the APK [agro-industrial complex] consumers of Kazakhstan have not received one of these machines. And indeed, great difficulties are expected here in processing the grain!

High and dense grasses have developed in many areas this year. As of 16 July, the first cutting had been carried out on 41.5 million hectares. This is less by 4.3 million than the figure for the same date last year. The farms procured 33.5 million tons of hay, 45 million tons of haylage and 1.6 million tons of grass meal. In a calculation for feed units, 33.7 million tons were placed in storage—less by 5.9 million tons than the figure for 1989.

The work being carried out on the grain and forage fields, meadows and haying lands must be accelerated. A good crop will not wait! It must be harvested on time and in a fine manner.



## FOOD PROCESSING, DISTRIBUTION

### Policies, Plans for Increase of Food Imports Discussed

904D0141A Moscow NEDELYA in Russian No 22, 28 May-3 Jun 90 pp 7, 11

[Interview with A.K. Krivenko, chairman of the "Prodintorg" all-union foreign trade association, by Vladislav Starchevskiy: "Imported Sandwich: The Soviet Union Continues to Increase Food Purchases Abroad"]

[Text] For most of us, debates about what is better, kolkhozes or farm economy, seem strange. We judge the benefits of monopoly kolkhoz and sovkhoz agriculture by its end results: the shelves of our food stores and the prices at farmers markets. Here, all is in plain view: the ongoing impoverishment of our food trade and the corresponding price increases at the markets. Underlying all this is the rather shameful position of our country as the world's largest importer of agricultural products. Our sandwich is indeed becoming more and more foreign: we import corn, butter and sausage.

The "Prodintorg" all-union foreign trade association is one of the leading entities purchasing food for the nation. On its contracts, we import meat and meat products, milk and dairy goods, sugar and sugar industry products, vegetable oil and tobacco products. We asked A.K. Krivenko, "Prodintorg" chairman, to help us understand this flow.

[Question] Aleksandr Konstantinovich, what is the total bulk of our food imports?

[Krivenko] It goes up every year. For instance, this year we bought 4.4 million tons of raw sugar and 250,000 tons of butter. A record of sorts has been set for meat and meat products: we will buy around one million tons of them.

[Question] A million tons?

[Krivenko] Right. This is what we have already contracted for, on state orders issued by the USSR Ministry of Trade. In addition, we get one-time orders from regions, organizations and enterprises. For instance, we got orders from Irkutsk Oblast, from "Tyumenneftegaz" who wanted to buy meat and butter for the hard currency they earned. There are others who want to conclude one-time barter deals with our help, so the volume of purchases will rise in the course of the year.

[Question] Where do we buy meat?

[Krivenko] In the past, we used to buy it mainly in Hungary, China, Rumania and Bulgaria, but those countries have reduced their sales while the Rumanians have stopped selling altogether. This is why we have been looking for partners literally the world over: we have signed contracts with the FRG, Ireland, France, Argentina and Uruguay. We buy lamb in Australia and New Zealand and are likely to negotiate a deal with Indonesia

to purchase pork. For the first time, we have started buying chicken thighs in the U.S., of which we bought over 80,000 tons.

[Question] How much does meat cost at the world market?

[Krivenko] It depends when we come market and what kind of meat we buy. In general, prices fluctuates between 80 convertible kopeks to 1 ruble per kilo; the poultry we purchased in the U.S. cost 50-60 kopeks. Naturally, the price is determined also by the situation at the world market. At one time, we used to buy butter for 24-25 kopeks per kilo: Europe used to have a large backlog of this product then. Later, the backlog went down...

[Question] Not without our help?

[Krivenko] Perhaps. Anyway, butter prices went up rather steeply, then began to decline once again. Today, a kilo of butter costs us 80-90 kopeks. Our main suppliers are the FRG, France and Holland. We bought approximately 50,000 tons in New Zealand and the U.S., and recently signed deals with Poland and Hungary.

[Question] At one time, margarine from Finland was available at Moscow stores, but it later disappeared. Was there little demand for it, or was it unprofitable?

[Krivenko] No, the problem is different. We buy large quantities of vegetable oil every year which is used, in part, to make margarine. But the margarine produced by our industry has little in common with the product sold under the same name elsewhere. Other countries make dozens of varieties and consume it in greater quantities than butter. This is not only the question of taste (and many types of margarine are not inferior to butter in this respect): people are trying to cut back on cholesterol and other harmful components. Plus, margarine costs 2-3 times less than butter. As to quality, even brand names attest to it: "German Sandwich Butter" and "Dutch Sandwich Butter".

We have recently tried to introduce real margarine in the domestic market. (The short-lived appearance of it in our stores which you mentioned was almost an accident.) We began negotiating with respectable firms and set up a tasting. Its participants seemed to come away convinced that we are dealing with a high-quality, healthy product. But then, our usual bureaucratic tangles came into play. It turned out that no one could submit a proper order to "Prodintorg". Because all documents and plans state that we must purchase butter or vegetable oil, not margarine. And yet we could have done a good thing for the health of the people while also saving hard currency for the country.

[Question] "Prodintorg" both imports and exports food. Given our poverty, do we not hurt ourselves by selling food abroad?

[Krivenko] In the overall volume of "Prodintorg" trade, exports account for only two percent. Exports belong to

the realm of long-term inter-government agreements with countries like Cuba, Ethiopia and Vietnam. For instance, our meat exports of 21,000 tons a year consist only of canned goods and go exclusively to Cuba, which in turn sells us sugar and citrus fruit. We also sell powdered milk to Cuba, and to Vietnam. But all this, I repeat, is more than modest compared to our imports and the needs of our internal markets. Sometimes we help our enterprises sell output they produce above state plan, which they cannot process at their own facilities. In return, we purchase certain consumer goods for them.

Another type of exports is comprised of raw materials of the so-called Tibet medicine. These are wastes of the deer herding industry: horns, hoofs, etc., as well as saiga horns. In this area, by the way, many problems have arisen. Some organizations in this country, upon gaining access to world markets and discovering that there is demand for saiga horns there—which they could obtain without much effort—began to slaughter those animals in a barbaric manner. A hunt on a savage scale and by savage methods began in Kazakhstan. The republic's government, with our assistance, had to take decisive measures, in particular instituting a licensing system for exporting saiga horns.

This is not the only example of what a foreign trade free-for-all can lead to. At one time, we used to sell raw hides at a good profit. But once many farms and enterprises opened a window to the West, they rushed so much of that commodity to market that prices fell precipitously and it became unprofitable to sell hides.

[Question] Do you advocate a return to strict monopoly and centralization in foreign trade?

[Krivenko] No, but we must coordinate our actions in the world market. We do not want to monopolize everything; we simply offer all forms of assistance and advice in this business. We are, after all, professionals and trading, especially with foreign partners, requires professionalism.

[Question] Both selling and buying?

[Krivenko] Of course. Especially since we buy such quantities that in many food categories we have become what is called a price-setting factor in the world market.

[Question] It is, if I understand correctly, a dubious distinction for our country.

[Krivenko] But what can you do? If "Prodintorg"—i.e., the Soviet Union—unexpectedly comes to market to buy meat, for instance, prices rise sharply, sometimes even rocketing. If we keep silent, everybody waits and prices fall. This is why we try to make large purchases so as not to leak information in advance. The market finds out about it only after contracts have been signed and our ships call for the goods.

Now, some Soviet organizations and enterprises often buy with a lot of fanfare and with beginners' gusto. Prices spike immediately. Even our regular partners send

us telexes asking what is going on here. They understand that such games hit the state treasury hard, because the state remains the principal importer. This is why we need coordination. In our opinion, import licensing should be introduced for most important goods, at least those where we impact world prices. There is nothing horrible about this: many countries do so, even though they do not have state monopoly on foreign trade.

[Question] The quality of food products is one of the most painful issues for us. Our trust for domestic goods is declining; but can we trust imports?

[Krivenko] Absolutely. We purchase only on guidelines approved by the USSR Ministry of Trade, the USSR Health Care Ministry and the country's Veterinary General. They set quality standards which we follow when we negotiate contracts. These standards are also passed to the USSR Chamber of Commerce and Industry. It acts as an independent expert, inspecting every shipment in port and at border crossings. In addition, when goods enter the country, they are checked for compliance with veterinary requirements. Most importantly, however, before each contract is signed product samples are sent to the central arbitration laboratory and tested thoroughly, including for radioactivity. [Question] Is there any danger

that some firms whose products failed the requirements of Western countries would try to sell them here?

[Krivenko] Of course, theoretically such attempts are possible. Indeed, sometimes we receive offers that seem dubious. But until we are sure that there is no catch and find out what kind of firm we are dealing with, where the goods come from, how long they can be stored, etc., we will sign nothing. Moreover, our veterinary experts travel to the site to check conditions under which the product is made and processed.

Nevertheless, I read in a magazine which I respect very much that some butter had apparently been purchased "after it had sat for a good many years in refrigerators of one Western country," as well as "frost-damaged meat" which, "by civilized standards," was good only to make canned pet food. I may disappoint the author of that article if I say that we buy no such butter and no such meat. In all countries, a large share of such products is stored in refrigerators, with a freshness date before which the product is guaranteed not to lose quality—which is less than "good many years," of course. We have never bought anything for which the freshness date had expired.

[Question] Recently, there was a report on television about the Soviet Union buying a large shipment of meat in the FRG. The supplier could not ship it for a long time due to our carping. Soviet experts spent almost a month in the FRG checking the quality of the meat. The moral was clear: bureaucrats were once again holding up an important business.

[Krivenko] Indeed, thus were our machinations revealed. Let me now tell you the real story. In recent years, a number of Western European countries suffered

from outbreaks of a serious cattle illness. Naturally, when we negotiated the contract we asked for unconditional guarantees that we would get meat only from unaffected regions. But the FRG veterinary service told us that it could not meet this demand and made counterproposals. The exchange of opinions lasted very long, and the Germans came to Moscow to negotiate. They made another proposal which, in our opinion, did not yet guarantee that the meat would be safe. Then, on an invitation of our partners, our veterinarians went to the FRG where they met with representatives of that country's veterinary services, as well as with those from Holland and France, where some meat was also coming from. As a result, we got full assurances that our demands would be met and that the meat would come from healthy animals. There is no reason to think of this as bureaucratic delays.

[Question] We hear and read almost every day that somewhere at a port or a railway station food shipments from hither and yon are held up. What is the problem?

[Krivenko] I have a cable here addressed to N.I. Ryzhkov, Chairman of the USSR Council of ministers, from the captain of "Arvid Pelshe." On April 21, the ship brought 3,300 tons of beef to the port of Leningrad; for two days it stood without being unloaded, then the dockers unloaded the 600 tons destined for their own city. They refused to load the rest of the meat meant for Sverdlovsk Oblast and Central Asia into railway cars. The ship was marooned in port for a long time.

[Question] Was it a dock worker strike?

[Krivenko] No, it was an interagency quarrel: who was to seal the cars? Or rather, who would be responsible should the cargo disappear en route? The quarrel has long roots. In the past, railway workers used to seal cars, but then they started to claim that goods disappeared in port, when moved from boats to cars. Let port authorities do the sealing, they said. Port authorities started to do it, but meat continued to go missing. Now they accused railway workers, claiming that cargoes disappeared during transshipment. A solution was then found to make "Prodintorg" responsible for everything. Yet, first of all, we do not even have the staff to seal cars and to make sure that the cargo is safe in its travels across the land. Second, everyone must do his own job and be responsible for it. We are responsible for the quality and price of goods, for their timely delivery to the USSR and for receiving the cargo at the border or in port. Seamen answer for the quality of transport services, making sure that the cargo is not damaged along the way. Port workers must ensure that the cargo is unloaded and shifted to railway cars on a timely basis, without delays or losses. It is the task of the railways to deliver everything to customers, without anything being stolen en route.

There is one other aspect of this problem. While Soviet boats idle in ports, we have to hire foreign ships to transport goods, which is a huge waste of hard currency.

We often waste money this way due to the very same conflict over who seals cars. For instance, on April 30, a foreign freighter "Rasishe" brought butter to Odessa and waited eight days while port authorities squabbled with railway management. Meanwhile, each day of leasing that boat cost \$14,600.

Here is another example. Currently, 250,000 of unprocessed sugar is stranded in ports because freight cars have not been delivered on time. I understand the difficulties the railways and sea fleet ministries face, but let us think about the people and set our priorities straight. We think that food shipments must be handled on a priority basis.

[Question] "Prodintorg," as well as other foreign trade entities, have shifted to economic accountability. Now you have more independence. How are you going to use it?

[Krivenko] Well, our economic accountability is still only partial and exists in name only, just like our independence. We have more freedom of action, but we must fight for it all the time. What are our new undertakings? For instance, we are starting joint ventures. In a way, we used to have them before, such as "societies" abroad set up with 50-to-60 percent of our capital. We have them in France, Austria, Singapore, the FRG and Malaysia, and we are planning to open more in the U.S. and Hungary. Those "societies," in addition to usual trading deals, are involved in attracting Western investments into the Soviet economy. But now we also want to invest abroad the funds they earn. For instance, we want to buy plantations to grow certain tropical crops and plants to process them. This will allow us to obtain products we need at guaranteed prices and of good quality.

We have started to set up joint ventures in the USSR as well, which was something that we were not encouraged to do in the past. We already have one in Odessa, to process raw sugar. In the Altay region, we will process meat and wastes of the deer herding industry jointly with Singapore, while also introducing modern technology into sheep herding. We are negotiating with the Italians about a joint enterprise to make corn oil. We want to invest a share of our own hard currency funds into agricultural development. We have taken the first step in this direction: we bought powerful refrigeration equipment in Finland and leased it to the sovkhos "Progress" in Ruzskiy Rayon, Moscow Oblast. We will furnish it with a modern milk farm purchased in New Zealand: the contract has just been signed. Under new economic conditions, "Prodintorg" expects to work together with enterprises and farms in a variety of forms.

We have another idea: to open, first in Moscow and then in other major cities, our own fast food restaurants equipped with American machinery. They will serve grilled chicken, ice cream and coffee.

[Question] Do you intend to help farmers and those who lease land?



[Krivenko] Of course. In particular, we are planning to build, with the help of local authorities, a center that would purchase, store and process the output of such farms. In short, we have plenty of ideas but our possibilities remain, alas, very limited. We have no right to spend the hard currency we earn as we see fit. Millions of convertible rubles sit on the "Prodintorg" bank account and it is as though the money did not belong to us. Once we have such right, we will buy refrigerators, meat packing plants and much more that our agriculture needs to stand on its own feet.

[Question] But when we become able, with your help, to feed the nation, the need for your main business—i.e., food importation—will disappear.

[Krivenko] Thank God. It is an embarrassment: we are a great country, yet for several decades we have been importing massive quantities of food. "Prodintorg" will not go out of business: we will find what to do.

	Violations of deadlines for filling orders	Low quality	Refusal of order	Other reasons (rudeness, cheating, etc.)
Total complaints about repair services	42.4	25.4	10.2	22.0
<b>Including</b>				
Repair of footwear	43.7	34.2	13.8	8.3
Repair of sewn items, fur and hide items, headgear, textiles	43.0	28.4	14.5	14.1
Repair of household appliances and instruments, repair and fabrication of metal items	45.0	24.1	7.8	23.1
Repair and servicing of privately owned vehicles	25.6	19.7	21.1	33.6
Repair of furniture	50.5	38.0	6.3	5.2
Repair of housing (apartments) at order of public	28.1	18.7	12.1	41.1

The network of repair shops is growing slowly. It is planned that some services will be provided by industrial enterprises (similar in type to organizations of shops for producing consumer goods). In fact, all that has happened is that they have started selling the public production wastes, lumber and construction materials.

The introduction of progressive forms of services which, theoretically, are supposed to improve the quality of services and provide some conveniences for the client has been reduced to the simple increase of rush orders. The price is higher, but the quality ... (see the table). There is no need to even think about convenience. Only 2-3 percent of orders to repair footwear and sewn items are taken at the workplace. And to clean an iron or repair an apartment...! One has to stand in a line on Saturday and somehow get out of work, ask for a leave, or take time off.

Last year cooperatives provided 1.5 billion rubles' worth of repair services. It is an impressive figure, but prices

## HOUSING, PERSONAL SERVICES

### Goskomstat Data Indicates Consumer Services Lag

904D0180A Moscow SOVETSKAYA TORGOVLYA in Russian No 12, 1-15 Jul 90 Special Issue p 1

[Article using USSR Goskomstat materials prepared by Nadezhda Matveyeva: "Improve the Quality of Services"]

[Text] When goods become scarcer their quality naturally deteriorates. This is why repair services are becoming ever more important to our daily lives.

Last year the public paid 3,887,000,000 rubles for various types of repair work. This is almost 1.5 times more than in 1985. The highest percentage of these billions is for repairs of household appliances, TVs and radios, then (in descending order) come: automobiles, apartments, footwear, clothing and furniture.

However, as they say, you get what what you pay for. There are so many complaints about various types of repair work that USSR Goskomstat was compelled to determine the "structure of reasons for complaints." The data for 1989 is as follows (in percent):

are somewhat higher! Almost half the earnings were for apartment repairs and 22 percent were for automobile repairs. Work quality leaves something to be desired.

It turns out that a scarcity of goods somehow leads to an increase in household repairs, but at the same time leads away from the maximum satisfaction of demand. Once again it leads to price increases, low quality, lines, and so on.

### Housing Giveaway Program Proposed

904D0131A Moscow ARGUMENTY I FAKTY in Russian No 22, 2-8 Jun 90 p 7

[Article by G. Fridenburg: "Give Me An Apartment As A Gift"]

[Text] In my opinion, the planned transition over to market relationships is impossible so long as we lack a



market proprietor. By way of an example, let us examine the question of ownership of living space in dwellings of the state and public fund.

At the present time, citizens of the USSR who live in these dwellings are tenants and not apartment owners. In December 1988, the USSR Council of Ministers issued Decree No. 1400, which authorized the purchasing of apartments by tenants, while at the same time the USSR law on ownership (Article 7, Paragraph 2) legislatively reinforced the right of a tenant to purchase his apartment.

But Decree No. 1400 of the USSR Council of Ministers and the USSR law on "Ownership in the USSR" have still not been implemented, since the process of transferring living space over to civilian ownership is impossible based upon these documents alone.

What then is the essence of my proposal? To carry out the transfer of living space in the USSR (with the exception of living space in the private sector and partially in ZhSK [housing construction cooperative] dwellings) on the basis of gift-giving by the owner (state, enterprise) over to the personal ownership of citizens. This process must obviously be voluntary in nature. Upon receiving living space in the form of a gift (as is the case when any property is received as a gift), a citizen is obligated to pay a state duty, in conformity with civil legislation, in the amount of seven percent of the value of the housing received as a gift.

Following completion of the gift-giving action and payment of the duty, the living space involved is turned over to the personal ownership of the civilian with all of the attendant consequences: right of the owner (civilian and not the state) to dispose of his housing as he thinks best—to give as a gift, to bequeath, to turn over to one's heirs in accordance with the law or to sell.

In such a case, a labor market would appear or the prerequisites for its emergence would be created. Opportunities would be created for the migration of manpower and for the population to select its living areas and the rules and norms for registration (passport regime) would be eased.

We could also add to the above that as a result of such an operation our society would receive approximately 30-50 billion rubles immediately and from 10 to 15 billion rubles annually. With housing being granted to citizens in the form of gifts, a need will exist for carrying out a differentiated evaluation of it in accordance with the present value. In the process, a situation will arise in which the appraiser and the individual receiving the housing gift will be equally interested in its higher value.

These amounts would be adequate for easing tax pressures, for reviewing some of the norms of the pension law and for increasing the earnings of doctors, teachers and other categories of workers.

I could continue to enumerate other positive results of a social and political nature that could derive from the

implementation of this plan, but there are obviously also negative consequences. I am not examining here the overall mechanism of the process or the possible negative phenomena. I appeal to the readers of ARGUMENTY I FAKTY for assistance—in introducing proposals concerning the advisability of implementing this measure.

### Southern Refugee Resettlement Problems Discussed

904D0118A Moscow TRUD in Russian 4 May 90 p 2

[Interview with P.S. Rudev, USSR State Committee for Labor Migration and Resettlement Administration chief, by N. Nadezhkina: "Refugee—a Bitter Word"]

[Text] Not long ago material was published in TRUD (No. 91, 20 April) which was dedicated to the bitter fate of refugees. In our correspondent's commentary a number of questions were raised in connection to the search for a solution to the unprecedented, dramatic situation that has developed here. Today we are acquainting our readers with the views of P.S. Rudev, USSR Goskomtrud [State Committee for Labor] Migration and Resettlement Administration chief.

[Nadezhkina] Petr Sergeyevich, TRUD has received a number of desperate letters in the mail that are filled with hurt. Therefore let us begin with the main thing: how well informed is your administration—does it have a clear picture of what will happen to each person who becomes a refugee?

[Rudev] All of the information reaches us. There are around 600,000 refugees in the nation today. Two hundred thirty thousand people have fled to Armenia, 210,000 to Azerbaijan, and more than 150,000 to Russia (a particularly large number of those relocated are in Krasnodar and Stavropol krais).

There are now 41,000 refugees registered in the capital. This is an unbearable overload for an overpopulated city like Moscow. They have come in trains, by airplane, in entire groups or one-by-one. Groups were met and taken to resort hotels temporarily provided by ministries and agencies. A headquarters was organized to register all of those arriving. Later the Russian Council of Ministers set up a second headquarters to help our compatriots. Some of the refugees were injured or beaten, and some had no documents—a few had even fled from the streets without stopping by their homes. People without passports required medical care; temporary identification needed to be given; the bare essentials, at least, had to be provided.

Our newspaper has already reported that, in accordance with a decree by the USSR Council of Ministers, every person who is forced to leave his place of permanent residence has the right to receive a one-time grant of 100 rubles and to acquire 200 rubles worth of clothing and

footwear at no cost. They are also assured free lodging for a period of three months in the area where they are temporarily quartered and will receive compensation for transportation expenses to their place of work. They will be given pensions and grants, and their salary will be maintained based on what is determined by the AUCCTU [All-Union Central Council of Trade Unions]. These standard acts have given us the opportunity of relocating refugees in resort hotels and arranging for medical care and food.

[Nadezhdina] And nevertheless, the people who write to us at the paper feel abandoned.

[Rudev] But just imagine what it means to receive 41,000 people and get them established in the course of one or two weeks. This person couldn't find his name on the list for grants, that one received no clothing, another person found it difficult to live in a remote resort hotel... So I do not rule out the idea that many might feel themselves mistreated. Of course it is hard on them. But at the time they arrived there was probably no opportunity to even speak with all of them, much less assess their individual personalities.

But that is not the main thing. Their feelings of uncertainty, of being abandoned and without prospects, arose in the first place because they were forced to make vital decisions and fundamentally change their destinies. It does not require much imagination to picture the following scenario: at first you have a cozy home, a job you like, and a hometown. Then, suddenly, you have nothing. You feel wronged, hurt, uncertain. Of course it would be marvelous if we could provide an apartment to everyone immediately or within a short space of time. That is how refugees are received by other governments. But as embarrassing as it is to admit this, we are a poor country—our economy is in a crisis, and every city has thousands of lines for housing. So there was only one solution: first find them work, and later their housing problems will be solved through their jobs.

Employment headquarters have been created now in every ministry. They are headed by deputy ministers, they receive people every day, and their employees even go to the resort hotels. They only offer work in a person's profession, and, as a rule, in central or southern regions of Russia. And when an agreement is concluded housing is provided. In some cases it is official housing, and in others it is an apartment or a room in an apartment or dormitory. A person will arrive and begin to work, and gradually life will take over and things will begin to calm down. He will receive compensation for expenses (in accordance with the decree by the USSR Sovmin, 210 rubles per square meter of common living space if housing is bought or built at one's own expense, and 2,000 for property housing a family of two, in addition to 500 rubles for each dependant, but this requires that upon settling into a new area the person renounce his previous apartment in writing). And then the person will think about how to establish himself further. That same decree stipulates that without waiting in line, refugees:

receive credit for individual construction, have land allotted to them, have building materials sold to them. They also have priority in entering cooperatives.

But we will be frank, the misfortune is that these rights cannot always be realized. It is not a law after all, but a decree by Sovmin. The decree includes phrases like "they have the right," "lend assistance," and "aid." The rights of refugees—however delicately we put it—have been proclaimed, but no organizations or establishments have been named to put them into effect. Let us say that an ispolkom [executive committee] needs a certain specialist. It can lend the specialist assistance in building housing. But if he is not needed the ispolkom is not obliged to do so. For example, one refugee came to me: he had gone to Konakovo Kalinin Oblast and asked to be allotted land where he could build. The ispolkom refused. There was a long list of their own residents waiting for parcels of land for individual building. And there is no way to help. We need a law on refugees—then everything would have a legal basis.

[Nadezhdina] Among the letters that come in to the editorial office, there are a number of complaints about being denied registration. A person wanted to settle in Kolomna—he found work there in a motor transport column—but the police will not register him. Or in Krasnodar...it was not allowed there either. We wrote about this in our earlier material as well. Is this really acceptable?

[Rudev] First let me say something about Kolomna. It is in Moscow Oblast. And in both Moscow and Leningrad and their oblasts as well as at health resorts of all-union importance registration is truly restricted. These cities are already overcrowded. Just recently the local soviets stopped registering refugees in Krasnodar and Stavropol krais, particularly in the Rostov Oblast. The fact is that tens of thousands of people who have left Azerbaijan and Central Asia have already settled in these regions. The cities are overcrowded, there is no available land, and market prices have risen appallingly. This all causes social tension and is fraught with the possibility of new conflicts among nationalities. I think that it is clear to us all that we should solve the problems of refugees in such a way as to avoid creating new hotbeds of tension.

Moreover, there have already been distressing cases to illustrate this. It is known what kind of role refugees from Armenia played in the shocking pogroms in Baku. Thousands of uprooted, embittered people became rich material in the hands of people who were pursuing extremist, nationalist aims. They were like gunpowder, and the powder exploded... Now republic authorities are offering them the chance to settle in the country, but the refugees, after having knocked about in the city for a number of months, lose their taste for agricultural work and demand housing in Baku. And essentially they have already occupied many of the apartments of Armenians who have left.

[Nadezhdina] And what has become of the apartments Russians were living in?

[Rudev] The Russians' apartments are being guarded. Some of them are occupied, but that has been appealed. And what is more, Council of Ministers delegations from the republic, the party Central Committee, and enterprises are now visiting resort hotels and calling on them to return. Half a million Russians lived in Azerbaijan: specialists, scholars, physicians, schoolteachers, and administrators. The republic needs them. They understand there that economic and cultural development will slow down without them. So they are calling them back, especially since there has never been animosity between the Russians and the Azerbaijanis. The Azerbaijan CP Central Committee and the republic's Council of Ministers issued a decree which designates measures for lending assistance to those intending to return. But the refugees are waiting. They, and for that matter we as well, think that public and Muslim organizations should announce their positions.

Incidentally, a word about guarantees. People often ask why Russians who left Dushanbe (there are not many of them—in Moscow there are only 350) do not have the same privileges as residents of other regions who have left their homes. It is because a person must be recognized as a refugee first and foremost by the republic he has fled. The republic must publicly announce that it cannot defend that person. As for Tajikistan, its Central Committee Secretary K. Makhkamov officially announced at a special Congress of the USSR People's Deputies that the republic needs and awaits the return of these refugees and that they can freely return now—their safety is guaranteed.

[Nadezhdina] But let us return to the Armenian refugees in Moscow. There are between 200 and 300 people—I believe that no one knows exactly how many—who have been living for several months in the Armenian permanent mission, if you can call it living, that is. They sleep on the floor and are unable to wash or change clothing. There are old people and women with children among them. Who is supposed to take care of them?

[Rudev] A bitter lot has befallen these people: they have experienced carnage, the loss of their loved ones... But even they should meet those who are trying to help them halfway. We have offered them resort hotels in the Chuvash ASSR and the Mordovian ASSR. They refused. Then we found areas south of Yaroslavl, Kalinin, and Ryazan. A minority of them went. "Too far," they said. We found a final reserve—a hotel in Mytishchi. True, it was not the most fashionable of hotels. We took them there, and they refused to leave the bus. One can understand their acute feelings, their mistrust and anxious anticipation of the worst. One can also understand their desire to live in the best conditions. But the available options have to be considered. They are offered work in various regions with temporary housing. They refuse. In general the attitude is that they want to stay in

Moscow, if only temporarily. But that is impossible: Moscow cannot accommodate them all.

I am not only speaking to those who live in permanent missions, but also to all the others. On 15 May the three-month term for free housing ends, and we are obliged to clear out the resort hotels before the summer season begins. We may no longer occupy the approximately 2,000 hotel rooms either, the city needs them. So decisions must be made. Of course, the refugees need the most benevolent help, patience, and care, but they themselves should meet us part of the way. More than two and a half thousand families (that comes to approximately six thousand people) left under the directions of ministries, were established in jobs in their profession, and received temporary housing.

Here are a few examples. Let us take those building housing: 16 families settled in Vladimir and 30 in Kalinin, all provided with dormitories of the hotel type with all the basic amenities. The Ministry of Communications reports: a family of four left for Tula Oblast. The husband is an engineer, and his wife works at Soyuzpechat [central subscription agency]. They have been offered an apartment with all the amenities...

So there are opportunities, but one's desires must simply be made commensurable with them. Let's say people are offered work in their professions along with a room in a dormitory. They turn us down. Why? we ask. "You're not making us any promises," they say, "what kind of offer is a room in a dormitory?" A schoolteacher is "matched up" with a school and offered an official apartment. She refuses: she is used to the big city and says she will not move to a rayon center.

[Nadezhdina] That's how it is—our existence is one of both poverty and limited options. But refugees should have some kind of firm guarantees. The word "refugee" does not even appear in the documents passed by Sovmin. Instead there is a vague expression: "a person forced to leave his place of permanent residence." But in a law-governed state, "refugee" is a legal concept. Its status presupposes a state's serious obligations to its citizens. If a citizen cannot be protected, then normal living conditions must be provided in another locality. When will we have a law on refugees here?

[Rudev] Such a law is simply essential. But of course before all else everything possible must be done to avoid conflicts between nationalities and to guarantee safety to its citizens. But if a person is forced to leave his home, he should be defended. The law should include the obligations of refugees as well as guarantees by the state. We have devised a draft law. How will this law look? First of all, the migration service should have a material basis: special settlements of the hotel or dormitory type with communal eating facilities and medical services. They can be created using the facilities of unoccupied commandants' offices of the Ministry of Internal Affairs and demobilized military units. This is where refugees should first be received and registered, and not in, say,



Moscow, Kiev, or some other city where they have turned up. In these specially created settlements the refugees will live for a month with board and lodging, receive medical care, and make plans for the future.

If no final decision is reached, they will be offered temporary work for a period of six months. A decision can be made during this time. But in all versions, the state is obliged to provide everyone with a permanent apartment with all the amenities within two years. The republics will determine the oblasts in which refugees will be settled, and the government will give the state directive to create jobs and build housing.

According to preliminary estimates, getting one person settled costs approximately 20,000 rubles. It is an expensive law. This is why it is very difficult to say right now when it will be passed.

But we repeat, the absence of a law still does not rid us of the responsibility of caring for those forced to leave their homes because of conflicts among nationalities and doing everything possible for them. But the refugees must understand the difficulties the country is having and meet those who want to help them halfway. I will allow myself to repeat: without this movement towards one another we will hardly be able to succeed. It is impossible to forget the past—it is always with us. But we have to start living anew.

#### **Alma-Ata Group Demands Land For Houses**

904D0146A *Alma-Ata TRUD in Russian 13 Jun 90 p 4*

[Article by V. Gafiatulin and O. Kvyatkovskiy, TRUD correspondents: "Houses Will Be Built"]

[Text] Yesterday, a three-day action carried out in Alma-Ata by the "Society of Homeless and Orphans" came to a close. The activists demanded that tracts for the construction of private homes be presented to those residents of the Kazakhstan capital who actually had no opportunity for obtaining an apartment through the local soviets.

It began in an alarming manner. In the recreation zone for city-dwellers, near the Bolshaya Alma-Atinka Stream, yurts and signs bearing inscriptions suddenly appeared. And most important—the young people had started marking off their private plots. And this was happening during the peak of the terrible events taking place in neighboring Kirghizia, events aroused by the need for similar tracts of land.

Incredible rumors abounded throughout the city. The militia immediately established a round-the-clock watch over the yurts and the land occupied by the youth. But this was not done for blocking the participants in the action, but rather to prevent possible conflicts between them and the city-dwellers, who were rather concerned over the events taking place.

Finally, a discussion was held in the Alma-Ata gorispolkom [municipal executive committee] at the appointed hour. The discussion was between the youth on the one hand and the party and soviet leaders of the city and oblast, representatives of the legal protection organs and well known republic figures on the other.

As a result, a compromise solution was reached. The gorispolkom allocated land for the construction of 2,000 private homes. But not in the recreation zone—instead in the northern portion of Alma-Ata. Here such homes would not hinder anybody.

Yesterday we visited the land which three days earlier was considered to have been "seized." Militia units were despatched, pegs were taken up and the marking-out rope was removed.

"Certainly, our action involved a certain amount of risk," we were informed by the deputy chairman of the "Shanrak" Society, Amakzhol Nalibayev; "we had occupied the land illegally. But we did not allow one illegal action to last more than three days. We maintained the strictest order. By no means were our actions prompted by the events in Kirghizia. This action was planned by us long ago. We simply could not wait any longer—the summer construction months are fast departing."

Yes, these are serious problems—both for thousands of our Alma-Ata students and also for our young workers. Many of them, who now will "legally" build their own homes, stood on long apartment lines for years.

At the present time, the housing line in Alma-Ata numbers more than 72,000 families and the plans for placing apartments in operation by means of the local soviets are constantly not being carried out. With regard to private construction—year after year, free territory for this purpose is lacking in Alma-Ata. Today, as you can see, such territory has been found.

"Amanzhol, many rumors are circulating throughout the city as to who will be given the tracts seized by you..."

"There are no secrets here. First of all, they will be given to those who have possessed Alma-Ata registration for more than 10 years, who are working and who have families. Thereafter, they will be given to fifth year students, even those with temporary registrations, who have families and who are deserving. The priorities will be defined by the council of the 'Shanrak' Society."

"What nationalities will be represented among the new settlers from 'Shanrak'?"

"For all practical purposes, only one. But we have not concealed the fact that we wish to direct the attention of the authorities to the poor status of our Kazakh youth."



However, we were prepared to accept any complaint—the announcement was made in two languages.”

What was the result? Once again it has been proven: in Alma-Ata they are learning to enter into a dialogue with “informal” individuals in a rapid and constructive

manner. Once again, calm was maintained during a critical situation in the Kazakh capital. However, more and more urgent problems are appearing in the life of this city with its population of one million. And in order not to be cut off from them, we must have unity of forces and a great amount of common effort.

## FUELS

### **Chevron Corporation to Develop Kazakh Oilfield**

904E0116A Moscow TRUD in Russian 8 Jun 90 p 3

[Article by Albert Balebanov, TASS political observer, special to TRUD, under the rubric "The Meridians of Collaboration": "10 Billion for the Project"]

[Text] The report of this was made by M. S. Gorbachev in Washington at a joint press conference with President Bush devoted to the results of his visit to the United States. Many in the business world had their breath taken away by the news—a major oil corporation of the United States, Chevron Overseas, has decided to become involved with the assimilation of a large oil-and-gas field on the territory of the Kazakh SSR. It intends to spend an enormous sum for this purpose—about 10 billion dollars. The corresponding agreements were signed with Chevron Overseas during the course of the Soviet leader's visit to the United States.

What were the businessmen surprised about? First of all, the dimensions of the capital investment that Chevron is making. Second, its boldness, if one takes into account the complexity of the current times in the development of restructuring in the USSR, first of all in connection with the start of fundamental economic reform. Third, the striking ability of the leaders of Chevron to outflank their competitors—not only in the United States, but Japan and Italy as well—in the fight to get a Soviet contract. Fourth, the sweeping nature of the whole project.

A very rich oil-bearing region is located in western Kazakhstan, not far from the Caspian Sea. The problems with its assimilation are associated first of all with protecting the environment. The main difficulty is that the oil occurs at very great depth—more than 5,000 meters, under salt deposits, where the pressure reaches 800-850 atmospheres. The ecological problem is that the production of oil is accompanied by the emission of a large quantity of casing-head gas into the atmosphere that contains a high level (over 25 percent) of hydrogen sulfide, hazardous to human life and nature. The discussion actually concerns not just one oil field, but two located side by side: the Korolev and the Tenghiz.

It is completely obvious that the development of such fields, entailing some risk, should be accomplished only on the basis of the most modern environmental-protection technology and the most up-to-date equipment. We unfortunately do not yet possess either one. In the opinion of eminent scientist A.S. Timoshchenko, director of the Scientific Research Institute for Problems in the Management and Economics of the Oil and Gas Industry, the American Chevron Corporation is the best prepared for such complex work at the current time. Another thing is clear—we alone, taking into account our capabilities and the level of our equipment, will not be able to assimilate these fields efficiently or to the full for a very long time, 25 years according to some estimates.

The leadership of the Soviet oil-and-gas industry several years ago began to research the ways and methods of assimilating these fields, which had gained a reputation as the largest in oil reserves of all those discovered in the last decade. Four giant petrochemical firms that are well known in the Western business world first displayed interest in them—the American Occidental Petroleum, the Japanese Marubeni and the Italian Montedison and Enichem. The Tenghizpolymer [Tenghiz Polymer] consortium was created on the basis of these firms, and it set about a study of all aspects of the deal.

The Soviets formed their own foreign-economic consortium that included more than 25 joint enterprises operating in such realms as petroleum, agriculture, medicine, food, instrument building and the production of consumer goods. The set-up of production of such essential items for our industry as ethylene and polypropylene was planned for the start at Tenghizpolymer. Time passed, however, and results were few.

The Soviets then decided to redirect their attention to Chevron Overseas. USSR Minister of the Oil and Gas Industry L.I. Filimonov had a proposal for the executives of Chevron: we want to have a whole industrial-production complex based on the Korolev and Tenghiz fields—from the production of oil to the creation of gas stations. This proposal was accepted after a year and a half of scrupulous study. An agreement to create the Sovchevroil joint venture, along with its charter and the technical and economic substantiation for the creation of a joint venture in the USSR, were initiated by USSR Minneftegazprom [Ministry of the Oil and Gas Industry] and Chevron on May 16 of this year, in which the Soviets and Americans received an equal distribution of roles and income. The ministry has seen that the operation of the enterprise is in complete accordance with Soviet legislation.

The project for the assimilation of the Korolev oil field has thus become the largest in the USSR of those in which foreign capital is taking part. The reader will doubtless be interested to know specifically what our country will receive from collaboration with Chevron, which the Tenghizneftegaz [Tenghiz Oil and Gas] Association has joined in the joint venture. Here are just some of the benefits that we will be getting from this deal, according to the reports of the deputy chairman of the Soviet Foreign-Economic Consortium, I.M. Muradov: an influx of hard currency (Chevron will be able to take out on the order of 24 percent of the foreign-currency dividends, while 42 percent of the income will be reinvested for expansion and the creation of new joint ventures); access to the technology of the most complex processes; a wealth of foreign experience in operations and trade, among others; the arrival of new technology and equipment (it is noteworthy that the equipment will be supplied "on a competitive basis," which will give us an opportunity to pick out the best that exists in the world today); and, the training of Soviet specialist personnel, including in the sphere of management.

The charter of the new Soviet-American joint venture also contains a provision that envisages capital investment on the part of Chevron in the renewal of equipment. Sovchevroil, creating hard-currency income, will be able to direct it toward the formation of other joint ventures in group B—consumer goods—and especially the realms of automobile construction, medicine, agriculture, the food industry and popular consumer goods. Some of the hard-currency funds obtained will be put into machine building for the development of the petroleum industry itself. Another portion will go for the creation of subsidiary agricultural enterprises for the oil workers. Yet another portion of the hard currency will be transferred to the owner of the territory on which the oil field is located—Kazakhstan.

There are now 15 projects for new joint ventures. It is being proposed that the funds received from the operations of Sovchevroil will go in particular for the production of new models of motor vehicles in the USSR, including some based on the Gorkiy Motor Vehicle Works with the participation of the French firm of Peugeot. In order for this firm really to be able to function as part of this group, it should join the American trade consortium created to develop trade between the USSR and the United States. It includes in particular, aside from Chevron Overseas, such corporations as Eastman Kodak (photographic equipment and supplies), Johnson and Johnson (medical equipment and supplies), A.D. Midland (foods) and R.J.R. Nabisco (tobacco and breakfasts, among others).

The more I look into the details of the contract with Chevron, the more deeply I am convinced that there should be as many such deals as possible. After all, in practice they help our restructuring and the creation of a solid economic foundation while assisting in the rapid—I think, 2-3 years—ascend of the standard of living of our people.

### 1989 Ukrainian Coal Production Statistics Issued

904E0100A Kiev UGOL UKRAINY in Russian No 4, Apr 90 pp 44-47

[Unattributed article: "Ukrainian SSR Coal Industry in 1989"]

[Text] For the republic's coal sector, 1989 was a difficult year. Quite a few unresolved problems in the production and social spheres accumulated in the Donbass, having the country's oldest mining resources. The July miners' strike, the delivery shortfalls in mining equipment and spare parts, irregularities in the supply of railcars for loading coal, decisions not fully thought out for improving management in the coal industry, and other things had adversely affected the economic efficiency of the sector's operations. All this resulted in the republic's annual plan for coal mining not being fulfilled.

In 1989 there were 180.17 million tons of coal mined, or 98.2 percent of the plan and 94 percent of the 1988 indicator (Table 1). The majority of associations mined less than 1988 levels, which was largely the result of the lag in modernizing mines, the slow pace of re-equipping them with new, highly efficient equipment, and insufficient volumes of construction of coal enterprises with the commissioning of capacities to replace those being retired. In 1989, 223.41 million tons of coal were shipped to consumers, with a plan level calling for 229.65 million tons. Due to delivery shortfalls in railcars, remaining coal for the republic's sector as a whole as of 1 January 1990 was 5.87 million tons, with an accepted standard of 4.24 million tons. In the second half of the year, the amount of unshipped coal was reduced noticeably at mines of Donetsk and Voroshilovgrad oblasts, but increased considerably at the Aleksandriya Coal Association, which accumulated 1.52 million tons of coal remaining, with an accepted standard of 0.15 million tons.

Table 1.

Production Associations	Mining of All Coal			
	Plan, thousand of tons	Actual, thousands of tons	Percent of Plan	Percent of 1988
Donetsk Oblast	89,566	87,719	97.9	93.0
Donetsk Coal	20,211	20,212	100.0	97.5
Makeyev Coal	12,729	12,208	95.9	93.7
Krasnoarmeysk Coal	9,187	9,424	102.6	89.1
Selidov Coal	5,329	5,561	104.4	100.9
Dobropolye Coal	7,256	7,021	96.8	90.9
Artem Coal	6,654	6,325	95.1	92.7
Dzerzhinsk Coal	3,036	2,936	96.7	94.0
Ordzhonikidze Coal	5,025	4,801	95.5	92.9
Shakhtersk Coal	11,535	11,122	96.4	92.5
Torez Anthracite	8,604	8,109	94.2	84.6
Voroshilovgrad Oblast	58,067	55,462	95.3	92.3
Voroshilovgrad Coal	8,825	8,538	96.7	91.8

Table 1. (Continued)

Production Associations	Mining of All Coal			
	Plan, thousand of tons	Actual, thousands of tons	Percent of Plan	Percent of 1988
Stakhanov Coal	6,273	6,095	97.2	91.8
Pervomaysk Coal	4,035	3,507	86.9	84.7
Lisichansk Coal	3,500	3,072	87.8	84.8
Krasnodon Coal	7,684	7,352	95.7	91.9
Donbass Anthracite	7,525	7,117	94.6	92.1
Anthracite	4,225	4,230	100.1	99.2
Rovenki Anthracite	7,440	7,375	99.1	95.1
Sverdlov Anthracite	8,560	8,176	95.5	94.6
Pavlograd Coal	13,432	14,309	106.5	101.1
Ukraine West Coal	12,580	12,791	101.7	95.4
Aleksandriya Coal	9,785	9,888	101.1	101.1
For the Ukrainian SSR	183,430	180,169	98.2	94.0

During the year, 173.49 million tons of coal, or 98 percent of the plan and 93.5 percent of the 1988 level, were mined by the underground method; 6.68 million tons, or 103.5 and 107.4 percent, respectively, were mined by the open-pit method. Coal mining by the hydraulic method accounted for 2.83 million tons, or 97 and 94 percent.

The ash content of the coal mined was at the standard level (29.4 percent); the ash content of coal shipped was

0.2 percent below the standard level (18.6 percent), that is, the same as in 1988. There were 72.64 million tons of coking coal mined, or 100.1 percent of the plan and 93.6 percent of the 1988 level. Three associations of Donetsk Oblast and all the associations of Voroshilovgrad Oblast did not cope with the plan (Table 2). Mining of coking coal decreased noticeably compared to the similar indicator for 1988 in all associations other than the Pavlograd Coal Association, where it more than doubled.

Table 2.

Production Associations	Mining of Coal for Coking			
	Plan, thousand of tons	Actual, thousands of tons	Percent of Plan	Percent of 1988
Donetsk Oblast	52,417	52,471	100.1	92.6
Donetsk Coal	15,265	15,767	103.3	97.7
Makeyev Coal	12,061	11,699	97.0	94.7
Krasnoarmeysk Coal	8,823	8,949	101.4	88.9
Selidov Coal	-	-	-	-
Dobropolye Coal	5,260	5,373	102.1	79.8
Artem Coal	6,026	5,778	95.9	92.7
Dzerzhinsk Coal	3,036	2,936	96.7	94.0
Ordzhonikidze Coal	1,548	1,562	100.9	96.5
Shakhtersk Coal	398	406	102.0	99.8
Torez Anthracite	-	-	-	-
Voroshilovgrad Oblast	12,906	11,907	92.3	86.2
Voroshilovgrad Coal	387	354	91.5	87.0
Stakhanov Coal	3,190	2,913	91.3	76.8
Pervomaysk Coal	1,762	1,388	78.8	78.6
Lisichansk Coal	-	-	-	-
Krasnodon Coal	7,567	7,252	95.8	92.5
Donbass Anthracite	-	-	-	-
Anthracite	-	-	-	-
Rovenki Anthracite	-	-	-	-



Table 2. (Continued)

Production Associations	Mining of Coal for Coking			
	Plan, thousand of tons	Actual, thousands of tons	Percent of Plan	Percent of 1988
Sverdlov Anthracite	-	-	-	-
Pavlograd Coal	1,768	2,276	128.7	209.6
Ukraine West Coal	5,506	5,988	108.8	99.2
Aleksandriya Coal	-	-	-	-
For the Ukrainian SSR	72,597	72,641	100.1	93.6

Table 3 shows mining indicators: the average number of active breakage faces, their average active face line, the average monthly advance, and the average daily load per active breakage face. Compared with 1988 data, these indicators are less, which attests to the decrease in efficiency of equipment utilization during this period.

Thus, the average monthly advance of active breakage faces was 3.8 percent lower, and the average daily load on them was 0.3 percent lower. The average daily mining of coal in the republic was 513,200 tons, or 97.7 percent of the plan (525,400 tons) and 95.9 percent of the 1988 level (534,900 tons).

Table 3.

Production Associations	Average Number of Active Breakage Faces	Average Monthly Advance of Breakage Faces, meters	Average Active Line of Breakage Faces, meters	Average Daily Load per Active Breakage Face, tons
Donetsk Oblast	878.9	30.7	134,738	268
Donetsk Coal	182.4	28.6	33,074	308
Makeyev Coal	125.4	26.1	20,921	259
Krasnoarmeysk Coal	35.4	53.2	6,942	704
Selidov Coal	31.0	51.0	5,440	456
Dobropolye Coal	27.2	68.3	4,654	705
Artem Coal	137.9	25.4	15,263	125
Dzerzhinsk Coal	67.3	21.6	8,036	113
Ordzhonikidze Coal	107.6	25.3	11,927	117
Shakhtersk Coal	88.5	29.4	16,883	332
Torez Anthracite	76.2	28.2	11,598	285
Voroshilovgrad Oblast	431.1	30.8	73,759	344
Voroshilovgrad Coal	64.0	35.9	10,497	352
Stakhanov Coal	95.7	20.8	15,598	172
Pervomaysk Coal	36.5	21.6	7,036	259
Lisichansk Coal	18.5	36.2	3,135	444
Krasnodon Coal	52.2	36.6	8,000	372
Donbass Anthracite	58.1	27.7	10,182	340
Anthracite	29.3	26.8	5,389	399
Rovenki Anthracite	40.3	37.0	7,712	483
Sverdlov Anthracite	36.5	48.8	6,210	578
Pavlograd Coal	65.9	66.5	10,804	588
Ukraine West Coal	72.8	46.9	10,998	492
Aleksandriya Coal	14.1	47.6	1,231	633
For the Ukrainian SSR	1,462.8	33.3	231,530	319

It must be noted that in 1989 the percentage of coal mined from fully mechanized breakage faces (KMZ) increased and reached 67.8 percent, which is 2.3 percent more than the plan and 1.8 percent more than the level

of the period compared. The average daily load from fully mechanized breakage faces was 524,000 tons with a plan level of 489,000 tons and was at the 1988 level (Table 5).

Table 4.

Production Associations	Development Working (economic and contract method)							
	All				Opening and Developing Work			
	Plan, km	Actual, km	Percent of Plan	Percent of 1988	Plan, km	Actual, km	Percent of Plan	Percent of 1988
Donetsk Oblast	1,343.9	1,342.8	99.9	90.9	1,033.5	986.8	95.5	91.6
Donetsk Coal	271.0	254.2	93.8	92.4	218.8	204.8	93.6	91.8
Makeyev Coal	187.2	187.2	100.0	92.3	146.4	141.8	96.8	92.3
Krasnoarmeysk Coal	85.8	84.8	98.8	89.9	79.8	79.0	99.0	89.5
Selidov Coal	93.3	80.5	86.3	89.1	82.6	71.2	86.2	88.9
Dobropolye Coal	128.9	122.6	95.1	81.0	91.3	83.3	91.2	86.2
Artem Coal	144.9	147.4	101.8	91.1	104.9	102.6	97.6	92.1
Dzerzhinsk Coal	78.1	85.1	108.9	92.8	51.1	50.0	97.7	94.0
Ordzhonikidze Coal	98.5	109.9	111.5	93.8	73.1	74.4	101.8	97.7
Shakhtersk Coal	144.7	147.3	101.8	92.8	108.7	105.2	96.8	94.1
Torez Anthracite	111.6	123.7	110.9	92.9	76.8	74.7	97.3	89.5
Voroshilovgrad Oblast	818.8	804.1	98.2	91.7	614.1	586.3	95.5	91.3
Voroshilovgrad Coal	129.5	128.3	99.0	92.6	102.3	99.1	96.9	93.9
Stakhanov Coal	137.5	140.2	102.0	92.5	99.8	96.6	96.7	90.0
Pervomaysk Coal	74.8	61.5	91.5	84.5	56.5	51.0	90.3	85.4
Lisichansk Coal	55.1	49.3	89.4	83.6	51.5	45.2	88.1	83.2
Krasnodon Coal	100.5	100.5	100.0	92.5	83.3	80.7	96.9	92.1
Donbass Anthracite	95.0	93.8	98.8	91.8	57.5	55.2	95.9	93.0
Anthracite	47.0	47.6	101.3	92.6	36.9	36.0	97.4	96.9
Rovenki Anthracite	88.1	84.8	92.8	87.5	56.5	52.1	92.3	86.8
Sverdlov Anthracite	91.3	94.1	103.0	102.9	69.9	70.3	100.5	100.3
Pavlograd Coal	153.5	161.2	105.0	98.8	144.2	150.8	104.6	98.9
Ukraine West Coal	127.4	131.6	103.3	96.2	114.0	113.2	99.3	93.2
Aleksandriya Coal	34.7	31.9	91.9	97.2	31.7	29.3	92.4	97.2
For the Ukrainian SSR	2,478.3	2,471.6	99.7	92.0	1,937.5	1,866.3	96.3	92.2

The annual volume of all development work conducted (economic and contract methods) was 99.7 percent fulfilled, including opening and development work which was 96.3 percent fulfilled (Table 4). Compared to 1988, a decrease in the volume of tunneling was noted in 1989 by 8 and 7.8

percent, respectively. The majority of associations did not fulfill the plan for development work. The percentage of all development carried out with mechanized loading of coal and rock decreased, including workings where cutter-loaders were used (Table 6).

Table 5.

Production Associations	Average Number of Active KMZ	Average Active Line KMZ, meters	Average Daily Load per KMZ, tons
Donetsk Oblast	307.3	48,938	470
Donetsk Coal	67.8	13,491	525
Makeyev Coal	32.5	6,272	531
Krasnoarmeysk Coal	29.4	6,130	808
Selidov Coal	19.9	3,046	506
Dobropolye Coal	21.2	3,601	771
Artem Coal	38.1	1,846	147
Dzerzhinsk Coal	8.8	691	116
Ordzhonikidze Coal	18.3	1,011	124

Table 5. (Continued)

Production Associations	Average Number of Active KMZ	Average Active Line KMZ, meters	Average Daily Load per KMZ, tons
Shakhtersk Coal	31.7	6,342	512
Torez Anthracite	39.6	6,508	407
Voroshilovgrad Oblast	173.7	30,100	548
Voroshilovgrad Coal	27.8	4,400	484
Stakhanov Coal	10.3	1,827	329
Pervomaysk Coal	3.6	640	540
Lisichansk Coal	11.0	1,947	608
Krasnodon Coal	25.6	4,252	623
Donbass Anthracite	29.5	5,459	459
Anthracite	11.9	2,044	571
Rovenki Anthracite	19.6	3,541	644
Sverdlov Anthracite	34.4	5,990	605
Pavlograd Coal	59.1	9,839	632
Ukraine West Coal	50.7	8,261	615
Aleksandriya Coal	14.1	1,231	633
For the Ukrainian SSR	604.9	98,369	524

In open pit mines, prepared reserves of coal as of 1 January 1990 were two million tons, and reserves ready for removal were 0.84 million tons.

Table 6.

Production Associations	Percentage of Development Done with Mechanized Loading of Coal and Rock			
	All		By Cutter-Loaders	
	1988	1989	1988	1989
Donetsk Oblast	83.6	82.8	34.4	32.4
Donetsk Coal	87.1	83.7	37.4	35.1
Makeyev Coal	75.6	74.5	35.0	31.9
Krasnoarmeysk Coal	96.7	75.8	78.1	77.8
Selidov Coal	82.0	84.7	66.2	48.9
Dobropolye Coal	97.7	98.0	77.2	76.6
Artem Coal	100.0	100.0	2.8	1.2
Dzerzhinsk Coal	99.6	99.7	1.3	1.5
Ordzhonikidze Coal	87.7	91.3	-	-
Shakhtersk Coal	62.5	62.4	25.9	25.7
Torez Anthracite	65.4	63.5	5.5	4.3
Voroshilovgrad Oblast	76.5	75.1	14.3	13.7
Voroshilovgrad Coal	82.9	81.3	21.2	20.2
Stakhanov Coal	79.6	79.2	5.0	4.3
Pervomaysk Coal	69.5	73.7	15.8	17.7
Lisichansk Coal	84.4	85.3	44.4	38.7
Krasnodon Coal	88.2	87.4	28.0	28.7
Donbass Anthracite	83.2	83.2	6.2	9.4
Anthracite	64.1	60.7	2.7	6.1
Rovenki Anthracite	54.7	51.7	8.3	5.8
Sverdlov Anthracite	75.4	67.8	3.7	1.7

Table 6. (Continued)

Production Associations	Percentage of Development Done with Mechanized Loading of Coal and Rock			
	All		By Cutter-Loaders	
	1988	1989	1988	1989
Pavlograd Coal	97.3	98.0	95.8	97.3
Ukraine West Coal	86.3	84.7	67.7	68.1
Aleksandriya Coal	78.8	78.2	75.7	76.2
For the Ukrainian SSR	82.3	81.4	34.4	33.7

The results of coal cleaning operations in the republic's coal industry in 1989 are shown in Table 7. There were 140.31 million tons of coal processed and 86.35 million tons of

concentrate obtained. Its output, as well as the output of coal of large and medium size, was 3.9 percent lower than in 1988. The same amount of coal brick was produced as in 1988.

Table 7.

Indicator	Coal Cleaning			
	Plan, thousand tons	Actual, thousand tons	Percent of Plan	Percent of 1988
Processing of coal at dressing plants	141,695	140,313	99.0	95.6
Including for coking	56,351	55,789	99.0	93.9
Output of concentrate	86,133	86,352	100.3	96.1
Including for coking	35,607	35,372	99.3	96.1
Output of large and medium size coal	21,787	21,573	99.0	94.1
Including anthracite	14,433	13,990	96.9	94.8
Processing of coal in mechanized sorting plants	7,809	11,718	150.1	92.3
Production of coal bricks	4,196	4,172	99.4	100.0

As is known, on 1 January 1989 the coal sector switched to new conditions of economic management. However, due to the influence of a number of factors, an increase in the effectiveness of coal mining in the Ukrainian SSR has not been achieved; what is more, a worsening of many economic indicators has been noted. The production of a commodity product per worker, although 1.7

percent higher than the plan indicator, was 0.6 percent below the 1988 level (Table 8). The production costs per ton of coal, 28.05 rubles under the plan, were 28.93 rubles in the period January-November 1989, which is 2.56 rubles more than in 1988. As a result of this, financial losses from exceeding the planned production costs were considerable.

Table 8.

Production Associations	Production of Commodity Product per Worker			
	Plan, rubles	Actual, rubles	Percent of Plan	Percent of 1988
Donetsk Oblast	7,706	7,834	101.7	99.1
Donetsk Coal	3,442	3,535	102.7	102.9
Makeyev Coal	3,469	3,449	99.4	99.5
Krasnoarmeysk Coal	6,216	6,229	100.2	90.2
Selidov Coal	4,008	4,108	102.5	98.8
Dobropolye Coal	5,996	6,143	102.5	93.4
Artem Coal	3,240	3,192	98.5	96.5
Dzerzhinsk Coal	2,740	2,745	100.2	97.4
Ordzhonikidze Coal	2,903	2,809	96.8	96.4
Shakhtersk Coal	5,046	4,971	98.5	96.9
Torez Anthracite	7,001	6,891	98.4	92.3



Table 8. (Continued)

Production Associations	Production of Commodity Product per Worker			
	Plan, rubles	Actual, rubles	Percent of Plan	Percent of 1988
Voroshilovgrad Oblast	9,518	9,510	99.9	97.9
Voroshilovgrad Coal	3,806	3,760	98.8	94.9
Stakhanov Coal	2,597	2,657	102.3	97.4
Pervomaysk Coal	5,882	5,608	95.3	91.4
Lisichansk Coal	4,726	4,252	90.0	87.1
Krasnodon Coal	4,579	4,561	99.6	95.8
Donbass Anthracite	4,544	4,395	96.7	94.8
Anthracite	4,525	4,691	103.7	101.8
Rovenki Anthracite	6,768	6,919	102.2	97.9
Sverdlov Anthracite	6,419	6,322	98.5	98.2
Pavlograd Coal	8,098	9,662	107.4	103.2
Ukraine West Coal	12,527	13,227	105.6	102.3
Aleksandriya Coal	14,624	15,313	104.7	103.3
For the Ukrainian SSR	8,816	8,962	101.7	99.4

The average number of registered industrial production personnel is expressed by the figure of 723,700, which is 14,200 fewer than planned and 20,300 fewer than in 1988. The outflow of manpower from the coal industry increased.

In 1989, coal mining production capacities were commissioned in the Ukraine's coal industry. The "Komsomolets

Donbassa" Mine of the Shakhtersk Coal Association (capacity of 900,000 tons of coal per year) and the first complex of the second section of the "Sukhodolskaya-Vostochnaya" Mine of the Krasnodon Coal Association (capacity of 650,000 tons of coal per year) were turned over for operation.

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### Leader of New Ukrainian Union Interviewed

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[Interview with Vitaliy Nikolayevich Kalish, co-chairman of the union, steel worker at the Zaporozhye Dnepropetsstal Electro-metallurgical Plant and USSR people's deputy, by special correspondent G. Dolzhenko, Kiev: "We Are Announcing a Campaign Against Corruption"]

[Text] It was as though we rubbed clean a window in our home and the sunlight suddenly revealed something that we only dimly discerned earlier. Forces are being released which would like to torpedo the constructive changes, and social tension throughout the country is becoming supercharged. And all of this is occurring against a background which includes a decline in the standard of living, increased speculation and corruption and legalization of a shady economy. The Union of Ukrainian Workers intends to oppose these negative phenomena and to aid the consolidation of society. This is the subject of a discussion with V. Kalish, co-chairman of the union, steel worker at the Zaporozhye Dnepropetsstal Electro-metallurgical Plant and USSR people's deputy.

[Dolzhenko] Vitaliy Nikolayevich it can be said that the appearance today of a new organization in the political arena is a common occurrence. However, another question is on what type of soil it was created. And if we compare it to a tree, are its roots deeply planted?

[Kalish] Let us return to recent events. Instead of uniting efforts in behalf of perestroika, we are beginning to see a breaking up and revival of seniority tendencies, clan-nishness and international trends. Certain groups, acting in accordance with the principle of "the worse, the better," have openly undertaken a course aimed at confrontation in the interest of plunging society into the depths of an economic and political crisis and alienating the people of the country.

And this is understood at the plants, construction projects and in the rural areas. A concept has appeared concerning the need for resisting anarchy and destruction. The creation of worker committees at enterprises has started. At the end of last year, the republic's press contained an appeal by the collectives at the Kievtraktordetal Association, the Ukrainian Scientific Research Institute of the Potato Economy, the Iskra and Pravda kolkhozes in Cherkassy and Chernigov oblasts and the Gogolevskiy Sovkhoz in Kiev Oblast asking all workers in the Ukraine to form their own union in defense of perestroika. Hundreds of letters testify to the fact that this idea has taken root in many areas. It turns out that such groups are already in operation in Denpro-petrovsk, Lvov and Zaporozhye and that oblast constituent conferences have taken place in Lugansk and Chernigov. This initiative has received the support of the Novomoskovskiy Pipe Plant, the Berdnyansk Fiber Glass

Plant, the Sumkhimstroy Trust, the Kharkovtraktoro-zachast Association and others. Thus we attended the first congress in March of this year.

[Dolzhenko] I was at that same congress and I must confess that I did not note any special unity among the delegates. In addition to appeals for consolidation, for discontinuance of strikes and for restoring order in production, confusion and at times disappointment with the developing movement appeared to reign in the speeches. I recall the words of the hand A. Pyanov: they wish to use us to create a buffer or pillow for placing under the area they are beating upon! Others maintained that these were staff games. They had no ideas as to where to go and thus they were not authorized to accept documents and were accused of haste—it was maintained that the documents had to be accepted within hours of being distributed.

[Kalish] Truly, the element of haste, as stated, was a factor. But it must be understood that tardiness could not be tolerated. A difficult situation had developed in the republic. On the one hand, the party had lost its authority and on the other—the strike committees had grown stronger as the "Rukh" movement finally took shape. And here the first elections to the soviets were approaching. The government could fall into the hands of random individuals—phrase mongers and adventurists. But we had only begun to stand on our own two feet and spontaneously and without any strong coordinating center, but rather mainly based upon enthusiasm. Thus we did not succeed in accomplishing much during the preparatory period: send out draft decisions in advance, hold discussions and elect delegates at the meetings.

[Dolzhenko] What are the program targets of your organization?

[Kalish] The union unites its members based upon democratic principles, equality of all before the law, socialist renovation of society and strengthening the sovereignty of the Ukraine and all of the republics in the new USSR. A need will exist in the economy for overcoming the alienation of a worker from the means of production and the results of his labor, for ensuring equality in all forms of socialist ownership and for converting over to economic managerial methods and to independence for enterprises and regions. We are declaring a campaign against unearned income, corruption, speculation and shady economics, we guarantee reliable social rights for a working individual. We are undertaking to provide protection for children, elderly persons and citizens of moderate means. We will not permit youth to be brought up under another culture in a spirit of violence and immorality. Another one of our concerns is protection of the environment.

[Dolzhenko] The economy is still the most tense element in the life of the country. If the stores were full, many of our politicians would have nothing to discuss. Today the scientists are proposing various methods for eliminating

the crisis that now threatens our country. Could you define more precisely the economic portion of the union's program.

[Kalish] The fact that our management is different in nature is generally well known. But tell me, is it really normal for us to sell ore to one country in order to purchase Kamatsu dump trucks in Japan and then use these dump trucks for carrying ore for this partner? In the next transaction, they once again supply us with dump trucks or excavators and so on without end. A familiar captain-director of a floating fish factory discussed how they catch fish in the ocean, process it into delicacies and without going home unload them in a foreign port. And for this they receive a new seiner. Catch, procure—for you these are the most perfect implements of labor. And what about us? We became farmhands, a cheap raw material appendage of the West.

My mother, a concrete worker, built the Dneproges [Dnepr Hydroelectric Power Plant imeni V.I. Lenin] and subsequently worked at a kolkhoz. I experienced hunger during childhood, as a young man I was poor and at a mature age I could hope for nothing better. Meanwhile, old age is beckoning and there still is no ray of hope. Moreover, eminent economists are drawing us towards a market capitalism at accelerated rates, as though a market can be created based upon an order. It has been organizing itself for centuries. There is no need for haste, since this would make serious social disturbances inevitable and again we, the working people and the intelligentsia would suffer: there would be an incredible rise in prices, mass unemployment would appear, a sharp differentiation of society would occur and we would witness an increase in crime. In all probability, you understand just what we advocate: we favor a socialist market and a gradual conversion over to it—and through a referendum—we have had our fill of experiments.

[Dolzhenko] What is your attitude with regard to a multi-party system?

[Kalish] I favor a multi-party system. Let any group or party convince us, the voters, of the just nature of their ideas and we will decide who we will elect to parliament. And the deputies possess the wisdom needed to select the best platforms and proposals and to outline the correct path for developing society. Today, for example, the Ukraine has a republic party in addition to the CPSU, and a democratic and peasant party are in the process of being formed. Each has its own representatives in the Supreme Soviet. You saw how they defend their concepts during the present session. And the richer the political range of expression, the better off we will all be.

[Dolzhenko] Then do you have certain thoughts regarding the future of the Ukrainian Workers Union and its place in this range of expression? Tell us, if you would, how you view this union today and what actions it has succeeded in carrying out.

[Kalish] I see the union's future as involving its conversion over to a labor party. Everything will depend upon

the development of events, upon how soon the process of its formation will be completed and upon the influence that it will acquire in the labor collectives. The people themselves must become convinced regarding the need for such a party. It could unite the strike committees and other structures of the workers' movement. But these are only my thoughts. Generally speaking, I believe that our hour has still not arrived.

### **AUCCTU Asserts Rights to Union Property**

904F0218A Moscow TRUD in Russian 24 Jul 90 p 1

[Statement by Ninth AUCCTU Plenum: "On USSR Trade Union Property"]

[Text] Lately, certain state and local bodies, public movements, and individuals have been advancing demands about the transfer or dividing up of trade union property.

The plenum decisively rejects any encroachments on trade union property, considers them anti-constitutional, and declares that, in accordance with the USSR Law on Ownership in the USSR, all enterprises, buildings, structures, sanatoria and health resort facilities, tourist-excursion establishments, sports and athletics facilities, houses of culture, libraries, trade union newspapers, magazines, trade union educational institutions, monetary assets, stock shares, securities, and also other fixed assets and property belonging to the trade unions are the sole and exclusive property of USSR trade unions, created using the funds of trade union worker-members accumulated by the labor of several generations during the years of Soviet power.

The plenum declares all acts of bodies of state administration or local bodies of state power, economic and public organizations that violate the rights of the owner—the USSR trade unions—to be invalid and proposes to the trade union committees and councils to take decisive steps to preserve trade union property.

The procedure for owning, using, and disposing of this property can be established only by the highest executive body of USSR trade unions in the person of the AUCCTU [All-Union Central Council of Trade Unions].

### **Voronin Meets with Metals Industry Leaders**

904F0218B Moscow TRUD in Russian 24 Jul 90 p 1

[Article by V. Pavlov: "A Meeting with Metallurgists"]

[Text] On 21 July, the first deputy chairman of the USSR Council of Ministers, L. Voronin, met with a group of leaders and trade union workers of the metals industry at the Kremlin.

At the meeting, they discussed production and social problems of this leading sector of our industry. The

metallurgists brought up with special acuteness to the government questions of social protection of working people.

At issue was the fact that many of the measures planned last year to improve the life of workers in the metals industry have been blocked by the ministries and departments.

I think this talk will primarily do the government good.

### **Employment Bureau to Be Set Up for Defense Workers**

904F0195A Moscow IZVESTIYA in Russian 19 Jun 90 Morning Edition p 2

[Article by S. Chugayev: "Why Does the City of Glazov Need an Employment Bureau?"]

[Text] For the first time in 60 years, a sign reading "Employment Bureau" will appear on the doors of an official Soviet organization. It will happen this fall in the city of Glazov.

Until recently, that Udmurt town seemed to have no problems. Good buildings were built; stores had plenty of goods and residents plenty of cash to pay for them. The source of that prosperity was two huge defense industry enterprises which, in effect, had the city as an adjunct. Then came conversion.

First, the enterprises lost their state orders. Then there was talk of closing them altogether, because they were an environmental hazard. This year, 400 high school graduates in the city have been unable to find work. Those who went on maternity leave saw their jobs eliminated. Highly trained able-bodied males are on waiting lists for jobs. It has been calculated that their number will surpass 1,500 this fall.

It is easy to imagine the social cataclysms that could erupt in this situation. Faced with this unenviable prospect, Glazov's municipal authorities turned to science. They contracted a group of labor institute researchers headed by I. Zaslavskiy to study the situation. The researchers did it on their own time.

In a short time period they drafted papers on the city employment bureau, the city employment fund and ways to regulate layoffs to prevent mass emigration. They not only drafted these proposals but implemented them as well. The employment bureau already exists in practice. It is located in the central part of the city, housed in a comfortable office. The office has computers and conducts classes. It will have only six or seven employees. It will have the status of a city ispolkom department. This means that it will pay decent wages, attracting solid professionals.

Glazov residents already know that if they lose their jobs they will have to go to the employment bureau and register there. The bureau may offer them a temporary job if job search requires time. It may provide public

works in the city, arrange for a temporary transfer to another enterprise which needs such workers or propose to retrain the unemployed, i.e., help them change professions. Everything will be done with the consent of the unemployed, of course. If nothing suitable is found, the unemployed will get benefits amounting to no less than half their wages. The project will be funded by the city employment fund, set up using contributions from enterprises' payments for labor resources, a share of the social security fund and charitable contributions. The local church intends to make a contribution to the fund. In the future, the fund will also get profits from the business activities of the bureau itself. Thus, the employment bureau will not use a single kopek of government funds.

I do not want to say that those Glazov residents who will find themselves out of work will have it easy. But at least they will be relieved of the main fear, that of uncertainty.

And what about residents of other cities, where the authorities, as it has become customary for us, are waiting for the center to take care of them?

There are probably not enough independent experts to take care of every city. We have a major specialized research institution: the labor research institute. But let us recall that its employees had to solve Glazov's problems on their own time.

And why not during regular hours? Does the USSR State Committee for Labor, which supervises the institute, not care about the problem of unemployment? Many others, besides Glazov residents, fear that they may lose their jobs thanks to planned changes.

These concerns must be addressed, after the requisite research, by the specialists of the labor research institute. Why did Glazov authorities prefer a team of independent experts? I asked this question at the institute.

I found out quickly from a conversation with V. Dudin, director of the labor resources department, that the institute does practically no work on the subject of unemployment. The reason is simple: we have no unemployed—or rather it has not yet been decided who should be classified as such. For instance, in Uzbekistan, its one million unemployed mentioned from the podium of the February CPSU Central Committee plenum included mothers with large families, elderly native peasants growing vegetables and fruit on their plots and many others who had no thought of going out with a sandwich board reading "Seeking Work." This fact makes one realize how arbitrary numbers used in speeches and interviews really are. For example, how was it determined that to achieve full employment R4 billion will be required, if no one really knows how many unemployed we have or will have, and what kind of unemployment will be involved?

The institute carries out research projects commissioned by its boss, the USSR State Committee for Labor. Earlier this year was it tasked to develop a model to forecast unemployment under new management conditions and



principles for establishing a state employment service. As to issues related to regulating employment, they will be studied next year, along with the issue of developing a model of an all-union job information service. I had been naive enough to think that all of this had already been studied, analyzed, and drafted, since according to USSR State Committee for Labor officials unemployment is knocking on the door.

What has the official labor research been doing all this time, while we were getting ready for major changes in our life? Generally, it has been providing theoretical underpinnings for the thesis that under socialism some unemployment in a portion of the population may indeed occur; that the labor market may indeed develop without contradicting socialism and, most important of all, that our unemployment and our labor market are quite different for those under capitalism.

I cannot resist quoting just one paragraph from one recent research paper: "Under socialism, employment may be obtained under market conditions, but they have an opposite meaning from the one under capitalism. While under capitalism the worker sell his labor at the labor market thereby alienating it from himself, under socialism the worker effectively alienates a portion of means of production from the state for his labor, obtaining it to be owned collectively, utilized and exploited." This reminds me of the old joke that the main difference between capitalism and socialism is that under capitalism man exploits man whereas under socialism it is the other way around.

I find it hard to imagine what use will all this be to a person finding himself out of work. What good will it be for him to profoundly understand that, for instance, "the main differentiating feature of the socialist labor market is its social orientation, humanism and democracy, since its purpose is full attainment of the person's labor potential"?

The jobless need jobs and hence labor markets whose purpose is jobs and not "full attainment of the person's labor potential". This simple thought was probably the reason why in Glazov they chose to avoid dealing with the labor research institute.

#### **Yanayev Addresses Labor Issues at AUCCTU Plenum Closing**

904F0167A Moscow TRUD in Russian 16 May 90  
pp 1-2

[Closing speech by AUCCTU Chairman G. I. Yanayev at the 8th AUCCTU Plenum: "Decisive Renewal Is the Goal"]

[Text] Dear comrades! Today's meeting of the AUCCTU [All-Union Central Council of Trade Unions] Plenum, in practice, signifies the arrival at the final section of the preparation for the 19th USSR Trade-Union Congress.

The plenum adopted fundamental decisions. A qualitatively new concept of the trade-union movement in the country and new principles of formation and activity of trade-union bodies at all levels are to be submitted to the congress for discussion.

It is exceptionally important that these new approaches and views concerning the activity of trade unions receive support in many primary trade-union organizations, at plenums of central committees and councils of trade unions, and at meetings of AUCCTU members. This means that we are on the correct path.

At the same time, the scale, innovation, and exceptional importance of the decisions that the trade-union congress is to adopt require that the opinions of the broadest strata of workers, trade-union members, and trade-union workers and activists be taken into consideration.

Decisions on what Soviet trade unions ought to be should be the decisions of workers, in whose interest trade unions are established and operate. As we have agreed, after the conclusion of the 8th plenum drafts of the Declaration and of Basic Principles will become the AUCCTU Platform for the 19th Trade-Union Congress and will be published in the TRUD newspaper.

Around these documents it is important to develop a lively and fruitful discussion in order to test proposals in life itself, practice, and real experience in trade-union work. The broadest possibility for this opens up in the course of the pregress report and election campaign and at elections of delegates to the congress.

Let us consult together. Perhaps, on behalf of the AUCCTU Plenum, we should turn to forthcoming oblast, kray, and republic trade-union conferences and congresses and sectorial trade-union congresses with the proposal to include on the agenda the matter "Concerning the Declaration on the Formation of the Association (Confederation or Federation) of USSR Trade Unions and Basic Organizational Principles and Procedure of Activity of the Association (Confederation or Federation) of USSR Trade Unions." Thus, the most important problems in the development of our trade-union movement will be discussed in detail at authoritative trade-union forums and decisions on the entry into the new trade-union center will be adopted.

The decisions that the trade-union congress will have to adopt are distinguished by innovation and high responsibility. It is exceptionally important to enable the delegates to the congress to seriously and profoundly prepare themselves for the adoption of these decisions. Apparently, meetings of delegates to the 19th Trade-Union Congress should be held in regions in order to begin the preliminary discussion of congress documents. The work of congress sections should also be constructed differently. In our opinion, they should undertake the basic volume of the congress discussion in order to study in detail the proposals for and supplements to program documents.

It seems that it will be proper if we also invite the broadest public to the discussion about trade unions.

As you see, extensive and exceptionally important work lies ahead. The AUCCTU Presidium formed a commission for the preparation for the congress, into which representatives of trade-union organizations, including trade-union committee chairmen, entered. Groups consisting of commission members for a study—with due regard for the general trade-union discussion—of the drafts of basic congress documents and resolutions were also established. Members of the AUCCTU Presidium and AUCCTU secretaries were entrusted with heading these groups. Provision is made for renewing and supplementing the composition of these groups and for creating new ones by enlisting delegates to the 19th USSR Trade-Union Congress.

The preparation for the congress will proceed on two planes: reports and elections; development of the model and principles of activity of the future Confederation or Federation of Soviet Trade Unions and a drive for the solution of specific problems concerning the protection of workers' socioeconomic rights and legal interests. This demands singling out the immediate and most acute problems, on which it is now necessary to focus the attention and efforts of trade unions. From what should we proceed?

In the next few days the presidential council will examine a whole package of documents connected with the further advance of economic reform and an extensive introduction of market relations.

We are familiar with the statement of the AUCCTU Presidium in connection with the country's transition to a free market, which was adopted in accordance with the decision of the past meeting of the 8th AUCCTU Plenum. It should be stressed that this statement received the support of many trade-union organizations. We received many letters and telegrams with workers' positive evaluation of this position of the AUCCTU and trade unions as a whole. For example, this is what Comrade G. M. Bruzhinskiy from the city of Balashov in Saratov Oblast writes: "I have been a trade-union member since 1936 and I would like to say that for the first time in 55 years of being in the trade union I have seen the AUCCTU in the role of a true defender of the people's interests.

"If this policy continues, millions of rank-and-file union members will be able to truly count on the protection of their rights and interests and the AUCCTU, on a reliable support of the multimillion detachment of union members." There are many such letters. You will agree that this evaluation and support of simple people simply obligates us to fight even more decisively for the rights of the working people.

Leaning on this opinion of workers, trade-union organizations, and AUCCTU members, the point of view of trade unions concerning the entire set of socioeconomic

problems connected with the transition to market relations could be presented to the presidential council on behalf of the AUCCTU Presidium. This point of view, this position of trade unions was developed collectively by the AUCCTU Plenum and the Presidium—you are familiar with it. I will permit myself to dwell only on some aspects, which require additional comments, including in connection with statements by a number of press organs on the attitude of trade unions to the transition to a market economy.

Some so-called "reformists" simply ignore world experience in the transition to a market economy, when this period sometimes lasts dozens of years and includes a complex and effective mechanism of protecting the population against tough market relations. Because we demand precisely this, trade unions have begun to be accused almost of social and economic demagoguery, hindrance of market relations, and departure from generally accepted reform directions. We must answer such "prophets": "The truly satisfied person does not understand the hungry person."

Often we are also accused of the fact that trade unions counteract the government's efforts. This is incorrect. Our position is to hold a constructive dialogue with the government. The development of our version of the minimum consumer budget (the living wage) is evidence of this. We submitted draft laws on indexing the population's income in connection with the price increase and on employment, which were prepared by the AUCCTU. These drafts were prepared with due regard for workers' opinion. Work on them, as well as on a number of other legislative and normative acts aimed at creating a system of social guarantees for the Soviet man, also continues today.

The trade-union concept of the creation of a system for the population's social protection and support basically consists of the following:

**First.** It is necessary to establish the living wage legislatively at a state level and henceforth, with due regard for the economic situation in the country, to regularly review it in accordance with inflation rates (price increase).

**Second.** It is also necessary to make it legal that the minimum wage, pension, and grant not be below the living wage.

**Third.** The population's entire monetary income—and this should also be affirmed legislatively—at the level of the living wage is not subject to taxation.

**Fourth.** Under market conditions a price increase is inevitable. Hence the trade unions' demand to legislatively provide for indexing the population's income in connection with the price increase, which will make it possible to compensate for the losses of the population, primarily its badly-off strata.

At the same time, we believe that indexing should extend to hired workers engaged in all forms of property.

**Fifth.** We would like to stress that the mentioned official guarantees established by the state are minimal. If there are economic opportunities, Union and autonomous republics, krais, and oblasts can increase their amounts. In turn cost-accounting enterprises and organizations also have the right to establish additional payments for their workers.

In any case the transition to the market (I stress this once more) should occur with the people's conscious consent.

The preparation for the transition to market relations urgently dictates the need to restructure the entire work of trade-union bodies and organizations. We will have to work under totally new conditions of operation of various property forms and of the present virtual lack of workers' social protection against the negative consequences of the market.

It is very important to correctly use the right of legislative initiative, which belongs to trade unions. With the adoption of the Law on Delimitation of Powers Between the USSR and the Federation's Subjects the protection of citizens' rights, including in the field of labor, is included in the sphere of joint authority of the USSR and Union republics. In connection with this the role of trade-union bodies of Union republics in the use of the rights of legislative initiative both directly in republics and in interaction with the country's trade-union center should rise noticeably.

It is important that trade unions see to it that the improvement in labor legislation does not lag behind transformations in the economy and that workers are not faced with the fact of a lack of legal protection.

We are faced with the task of preparing and submitting to the Supreme Soviet in the very near future the Law on Labor, which would reliably protect the worker, the employee, the collective owner, the lessee, and the cooperative worker.

The Law on the Right to Judicial Protection of all workers, which the AUCCTU submitted to the USSR Supreme Soviet for consideration, should become an important factor in the protection of workers' labor rights.

In many respects the further activation of work on protecting workers' interests is hindered by the absence of the Law on Rights of Trade Unions. The work on the draft of this law is progressing with difficulty. In connection with the disagreement of the USSR Council of Ministers with a number of draft provisions the AUCCTU independently submitted this document to the USSR Supreme Soviet for consideration. Stepped-up work is ahead in order to defend the proposals approved by the 6th AUCCTU Plenum. At the last meeting of our plenum we agreed on the need to conclude a general agreement between the USSR Government and the

country's trade-union center. During the past period we held the necessary consultations and received authoritative confirmations of the readiness of the USSR Council of Ministers to accept the agreement. Now we must see to it that through the joint efforts of the AUCCTU and central committees and councils of trade unions together with the government a document is prepared, which could maximally contribute to the solution of the most acute socioeconomic problems now disturbing workers.

In general, it is necessary to most radically change the attitude toward collective contracts and agreements. The transition to market relations significantly narrows state regulation in such matters as the organization of material incentives and the use of the work time and labor and rest regime. These and many other problems will be solved directly in labor collectives. World practice has not developed another mechanism except for the conclusion of collective contracts between the employer (owner) and the workers' collective in the person of the trade-union committee.

All this requires a clear definition of the legal status of the collective contract in our country, extension of the practice of its conclusion to all labor collectives, legislative affirmation of the right of trade unions to represent the labor collective in relations between the employer (the state, the administration, and any property owner) and workers. On the basis of all this it is necessary to urgently draft and submit the USSR Law on Collective Contracts and Agreements prior to the congress.

The flow of workers' appeals for a settlement of complaints, of statements, and of proposals directly to central state and public bodies has been constantly growing recently.

Suffice it to say that last year alone the AUCCTU apparatus examined 24,000 appeals by citizens. On the instructions of the AUCCTU other trade-union bodies examined 42,000 letters from workers (the total number of appeals was 70,870).

Most of the appeals by citizens are connected with the resolution of specific labor disputes concerning dismissals, wage payments, and the granting of different benefits and guarantees. Adopting specific decisions on these appeals, trade-union bodies essentially began to act in parallel with bodies for the examination of labor disputes and often even to replace them.

Many central authorities waste their efforts on hearing specific complaints, not sparing funds on the maintenance of a large apparatus engaged exclusively in the examination of workers' appeals.

The question concerning the legality of interference of central bodies in the examination of specific labor conflicts at present, when labor collectives have received broad rights in the area of self-management, has become especially aggravated. Collectives do not want to accept the strong-willed decisions made above and demand the

observance of the procedure of examining labor disputes and conflicts established by the state.

In connection with this the AUCCTU introduced its proposals in the draft of the Law on Citizens' Appeals, which will soon be submitted to a session of the USSR Supreme Soviet for examination. It incorporates fundamental provisions aimed at eliminating distortions in this matter. The task is to attain an accelerated adoption of this law.

The establishment of advocacy in the trade-union system could contribute to an improvement in law protection work.

At the same time, free legal trade-union consultations, which were popular at one time, should not merely be reanimated, but their activity should be placed at a qualitatively high level. This trade-union service represented by skilled specialists in various branches of law should protect workers' legal interests, including when they appeal to any state, judicial, or other bodies, and help trade-union workers and activists in the solution of arising legal problems. Proposals on the establishment of a system of trade-union advocacy should be prepared in the very near future and widely discussed in trade-union organizations so that the congress could adopt an appropriate decision.

The state of labor protection and job safety has deteriorated in the country's national economy in recent years. For the first time in the last 12 years in 1989 the level of occupational traumatism, including with a fatal outcome, rose. Nor is the state of affairs improving in the current year, during 3 months of which more than 3,000 people have died on the job. The situation in the chemical industry and around enterprises producing chemical substances has become especially acute. There was mass poisoning of the population in the city of Ufa. Within 5 months two tragedies occurred in the Donets Basin, taking away several lives and affecting the health of hundreds of miners. The wave of anger and indignation that has swept these regions is totally just and well-founded.

In the opinion of the AUCCTU Presidium, the trade-union technical inspection of labor together with central committees, councils, and local committees of trade unions must carry out a mass check of all large chemical enterprises in the country without delay in May-June. The AUCCTU Presidium together with the USSR Government could review the results of this independent trade-union expert examination. The country's population should be widely informed of the necessary measures.

In our opinion, during the period preceding the 19th USSR Trade-Union Congress it is necessary to carry out a number of immediate tasks aimed at improving the efficiency of labor protection work by Soviet, economic, and trade-union bodies, which should envisage the following:

**First.** Preparation of proposals on labor protection matters for the draft of the General Agreement of the USSR Government and Trade Unions for the 13th Five-Year Plan.

**Second.** The drafting of the Law on Labor Protection, which establishes the basic functions, duties, rights, and responsibility of state, economic, and control bodies and individual citizens concerning labor protection on the job, should be sped up.

Let us also discuss the following proposal: Perhaps the technical inspection of labor should be withdrawn from operational subordination to trade-union committees and councils and a United Trade-Union Administration of Technical Inspection of Labor should be established. It would ensure sectorial and territorial principles of activity in one organizational structure and, above all, could ensure a high efficiency of work on protecting the labor and health of Soviet workers. If this proposal receives support in central committees and councils of trade unions, the necessary reorganization could be carried out.

All the acute problems, which disturb people, should be constantly in the center of attention of trade unions. Constructive work on improving and facilitating workers' living conditions, not social explosions, is our path.

You know that the deadline for the presentation of demands to state bodies by workers in children's preschool institutions in Moscow, who have warned about a possible strike, ends today. The position of the Plenum of the Central Trade-Union Committee of Workers in Public Education and Science, which actively came out on the side of workers and placed strict demands on directors of state education, should be supported fully.

However, in this case as well our actions greatly lagged behind the development of the situation and began to be carried out only after it had become critical.

To be among people and to know on what they live—only this simple rule can help the trade-union worker to feel the initiation of the focus of tension and to genuinely help people.

Let us ponder together what V. I. Nizhelskiy—a worker at the Siberian Metallurgical Combine from Novokuznetsk in Kemerovo Oblast—writes:

"Why are we not informed of the calculation of the time norm in metal roasting and why are we not paid for intrashift idle time? I often asked combine and oblast trade-union committees these questions, but did not receive an intelligible answer anywhere... I only asked that they look into them. Combine and oblast trade-union committees looked into many questions, but without proper attention, not troubling themselves with an inspection and not leaving the office... Not once did anyone come to my work place and talk to me."



It is no longer possible to manage a trade-union body without leaving the office. This should be clear to all. Now, during the pregress period, it is exceptionally important that trade-union workers and activists—from the AUCCTU to low-level links—more fully and profoundly feel the life of working collectives, more precisely understand people's pains and anxieties, and maximally help them. Our trade-union approach to the solution of the most important problems should be explained to workers. Many simply do not know our position.

Trade-union bodies are now engaged in large-scale work on renewing personnel and improving the apparatus structure. This work is important and necessary. We will not ensure the accomplishment of qualitatively new tasks facing trade unions without competent workers and capable organizers, including the influx of new forces. At the same time, it is also important not to run to extremes here. It is necessary to ensure continuity in apparatus work and the combination of experience and energy of renewal. It is very important to have a careful and respectful attitude toward the fate of every trade-union worker, who will be affected by personnel and structural changes.

Comrades! Tough market relations require momentary profitability and profit. This can sharply divert funds and capital investments from the spiritual sphere—education, culture, sports, and the development and training of children and young people. Figuratively speaking, there is a danger that, owing to economic reform, the country can forget for a while about the nation's future, but later it will be difficult to rectify this through the most extraordinary efforts.

In our opinion, the situation requires an urgent adoption of a general national state program for the development of culture. Trade-union bodies right now could submit proposals to local soviets for the creation of regional funds for financing cultural programs and the introduction of a system of incentives for state enterprises, cooperatives, and individual citizens, who invest their funds in the spiritual sphere.

Putting forward demands before state bodies, we should expand our contribution to the implementation of cultural policy. Workers in their appeals to the AUCCTU and the press express just indignation at the attempts to curtail this work. Using workers' alleged opinion as a cover, some trade-union functionaries close and sell off houses of culture, sports installations, libraries, clubs for adolescents, and pioneer camps. As a result, hundreds of thousands of children, adolescents, veterans, and needy people have already been removed from art activities, physical culture, and sports.

The AUCCTU Presidium resolutely condemns this practice, which contradicts the very essence of our workers' organization.

For any public movement the following question is always vitally important: "Whom will young people

follow?" Trade unions, which are being renewed, face this question just as acutely. Young people justly expect to see in trade unions a real force capable of expressing and protecting their interests, especially now, in the atmosphere of the deepening crisis, which most painfully hits young workers and graduates of general and vocational-technical schools.

In the course of discussing the materials of the 8th AUCCTU Plenum a proposal was made concerning the need to form a new youth trade-union policy and to adopt at the trade-union congress a declaration or another document defining the basic principles, priorities, and ways of realizing this policy. The AUCCTU Presidium considers this proposal fundamentally important and deserving discussion and support.

Trade unions must manifest special firmness when it is a matter of protecting children's interests.

Today as never before the sick rate among schoolchildren is increasing in a threatening manner and criminals' are becoming younger. Departmental egoism, not meeting with a decisive rebuff on the part of trade-union councils and committees, carries out an assault on children's rights. In the last 2 years alone under the pretext of unprofitableness 1,687 labor and rest camps were closed in the Uzbek SSR, 140, in Novosibirsk Oblast, and 116, in Rostov Oblast. Throughout the country the number of children recuperating in summer camps decreased by more than 1 million.

All these are alarming realities and tendencies.

Sharing the responsibility for the state of affairs in this most important social sphere, which affects the interests of all workers and every Soviet family, trade unions have the right to demand from the country's government an urgent adoption of a set of protective measures guaranteeing child protection under conditions of a regulated market economy.

Another matter of extraordinary importance. You know that USSR President Mikhail Sergeyevich Gorbachev asked the AUCCTU to head and coordinate the work on improving the health of children living on territories subjected to radioactive contamination as a result of the Chernobyl AES accident.

On behalf of the AUCCTU I would like to express the most heartfelt gratitude to trade-union councils and committees of almost all republics, krais, and oblasts, which together with labor collectives by now have found it possible to allocate more than 160,000 passes to children's health camps for the children of the Ukraine, Belorussia, and the Bryansk area. The appeal by Chernobyl mothers published in the TRUD newspaper has resulted in hundreds of letters from workers inviting children for rest with their families.

During these months it is our common duty to organize at a high level the rest and improvement in the health of children and mothers with children from the Chernobyl

AES accident zone, as well as the entire work on fulfilling programs of measures outlined by the AUCCTU and central committees, councils, and committees of trade unions in connection with the elimination of the consequences of the Chernobyl tragedy.

Comrades! The period of preparation for the 19th Trade-Union Congress coincides with the time of beginning of the active work by recently formed soviets—new bodies of government by the people. Trade unions and soviets have a broad field of mutual interests. Therefore, their interaction is an important factor in the solution of workers' social problems.

Many trade-union representatives, as well as deputies, who share our positions on many matters, have been elected to local and republic bodies of power. This gives trade-union councils and committees a good possibility to actively affect the formation of the membership of commissions, budget distribution plans, and plans for practical actions of local bodies of power. Under favorable circumstances, to be sure, it would be possible to set the task of establishing groups of deputy support for trade unions in bodies of Soviet power.

Here it is primarily a matter of concentrating forces in support of workers' socioeconomic demands and protecting enterprises and labor collectives against the possible dictate and voluntarism of local authorities. This possibility is easily forecast and it is important not to permit new tensions and malfunctions in the social organism of society. This is in the interest of workers and of the country as a whole.

The present time is a time of social and political pluralism. Ever newer independent movements and organizations, including those active in the sphere of trade-union interests, are joining political processes. For example, a congress of workers' movements and organizations, in which 334 delegates from more than 40 republics, oblasts, and cities in the country participated, was held in Novokuznetsk recently. The Labor Confederation was formed at the congress. It proclaimed itself to be a social and political association of workers' movements and organizations.

It is planned to hold a conference of representatives of workers' movements on approximately the same ideological-political and organizational basis in Alma-Ata in the next few days.

It is important that all of us understand these, frankly speaking, complex processes and take a definite and fundamental position here. This position can have only one point of departure for the AUCCTU and all Soviet trade unions—the interest of the working man. Soviet trade unions supported, support, and will actively support all those who act in this direction. In the interest of this cause and of the country's workers we are ready for a dialogue, interaction, and constructive cooperation.

At the same time, the delimitation of public movements and associations in two pronounced directions has become ever more obvious recently.

On the one hand, there are movements of advocates of restructuring society on socialist principles. Their position is as follows: renewal of socialism, retention of public ownership of the means of production with the development of its various forms, production orientation toward meeting the needs of society's members, not toward profit, and expansion of self-management. In many respects the programs of these socialist movements correspond to the tasks and aims of Soviet trade unions.

Movements, which call for the implementation of extremely "radical" reforms in political and economic areas and come out actively for the introduction of private property and the country's complete deideologization, operate at the other pole. On this basis forces, which speculate on difficulties and call for civil insubordination to the authorities, have become active recently.

In essence, the banner of private entrepreneurship, the banner of man's exploitation has been openly raised for the first time. There are forces, which, not hiding this, push the country to new economic and social upheavals and splits. Some reformers propose that the path traversed by Western parliamentarism and democracies during centuries be traversed in two or three sessions and that laws fateful for society be adopted immediately, ignoring the opinion of the Soviet people, the working class, and the kolkhoz peasantry.

No one has the right to play with the people's fate and no one's political ambitions can be the reason for risky political and social experiments in a country of 300 million people. I would like to hope that in such a situation most of the country's workers support our position.

And last. We are going to the USSR Trade-Union Congress in an exceptionally complex sociopolitical and socioeconomic situation. Workers have the right to expect from their trade unions a stronger and more principled position and a fight for their rights. Only strong, united, and consolidated trade unions can do this. Unfortunately, attempts at splitting our movement are made both from within and without.

Proceeding from the interests of the country's workers, I would like to stress that the appeal for unity and consolidation is not a political slogan, but an appeal for a voice of reason, conscience, and responsibility of each of us, whom history has entrusted with the lofty and complex mission of determining the fate of Soviet trade unions and, consequently, the measure of social protection and help for the working people and, especially, for those who need this help most of all. I ask and appeal to you to measure your words, thoughts, and actions precisely by this high standard of our common responsibility to the Soviet people.

**Eighth AUCCTU Plenum Documents Published****Resolution on Election Procedures***904F0170A Moscow TRUD in Russian 22 May 90 p 1*

[Text of Resolution of the Eighth AUCCTU Plenum on Procedures for Electing Delegates to the 19th Congress of USSR Trade Unions; for previous coverage of plenum see DAILY REPORT: Soviet Union, FBIS-SOV-90-094, 15 May 90, pp 49-50; FBIS-SOV-097, 18 May 90, pp 51-52]

[Text]

1. Elections of delegates to the 19th Congress of USSR Trade Unions are held by closed (secret) ballot at congresses of trade unions of the USSR and congresses of trade unions of the union republics.

Elections of delegates from trade unions of the RSFSR, Ukrainian SSR, Belorussian SSR, Uzbek SSR, and Kazakh SSR are held at the oblast and kray interunion conferences, and in individual exceptional cases with concurrence of the AUCCTU [All-Union Central Council of Trade Unions] Presidium, at expanded plenums of the trade union councils.

In a change to the resolution of the Eighth AUCCTU Plenum of 17 April 1990, to set the representation quota at the 19th Congress of USSR Trade Unions at 1 delegate per 120,000 trade union members.

To authorize the AUCCTU Presidium to consider as an exception proposals of individual trade unions on changing the procedures for electing delegations to the 19th Congress of USSR Trade Unions.

2. To grant primary trade union organizations the right to nominate their own candidate delegates to the 19th Congress of USSR Trade Unions. To adopt a decision at the trade union meeting (conference) by open or closed ballot if there is more than one candidate. Trade union organizations with small membership may nominate a candidate at the group meeting (conference) which is held by decision of the higher trade union body. When nominating candidates, trade union members must have the opportunity to give them mandates and make suggestions for improving the activities of the trade unions and their specific bodies.

Delegate candidates nominated by primary organizations are discussed in advance at oblast, kray, and republic (if there is no oblast division) conferences of sector trade unions or at plenums of the corresponding trade union committees and sector councils of chairmen of trade union committees. In doing so, all candidates, taking into account their opinion, are divided into two lists for closed or open ballot: one for making proposals to the trade union congress and the other for submitting proposals to the union republic trade union congress or to oblast or kray interunion conference. Proposals on candidates receiving the most votes as a result of voting

are made to and by the mid-level trade union committees and sector councils of trade union committee chairmen to the appropriate central committee and trade union council.

All candidates for whom proposals have been received from the mid-level trade union committees and sector councils of trade union committee chairmen are entered on the lists for secret ballots for delegate elections at the trade union congresses, union republic trade union congresses, and kray and oblast interunion conferences.

Candidates receiving the most votes with respect to other candidates and more than half the votes of congress or conference delegates are considered elected. If, according to the results of voting, fewer delegates are elected than are supposed to be according to the representation quota, the missing number of delegates are elected by repeat voting.

The AUCCTU Plenum supports the proposals of members of trade unions, committees, and trade union councils expressed during the course of discussing the draft resolution of the Eighth AUCCTU Plenum that the composition of delegates to the 19th Congress of USSR Trade Unions most fully reflect the social and nationality composition of trade union organizations.

**Resolution on Trade Union Center***904F0170B Moscow TRUD in Russian 22 May 90 p 1*

[Text of Resolution of the Eighth AUCCTU Plenum on Procedures for Forming a USSR Trade Union Center]

[Text]

1. To consider it expedient to form a USSR Trade Union Center on the principle of direct representation of trade unions of the country and trade unions of the union republics.

2. To establish that each sector trade union shall elect seven representatives, and trade unions of each union republic shall elect 14 representatives at their congresses to make up the USSR Trade Union Center.

3. To grant the right to the AUCCTU Presidium to establish the representation quota and procedures for electing representatives to the USSR Trade Union Center from other occupational formations of workers and also trade union organizations of autonomous republics.

**Draft Association Organizational Principles***904F0170C Moscow TRUD in Russian 22 May 90 pp 1-2*

[Text of Draft Basic Organizational Principles and Procedures of Activities of the Association (Confederation, Federation) of USSR Trade Unions\*; \*Possible variations of the name are given; hereafter it is referred to as "Association."]

[Text]

### General Provisions

The Association of USSR Trade Unions is a voluntary union of USSR trade unions, all-union federations of trade unions, federations, and other associations of trade unions of the union republics\*\* uniting for the purpose of coordinating and strengthening their actions to protect the rights and common interests of workers, for mutual support in achieving common goals at the all-union level, and for consolidation of the country's trade union movement. (\*\*Hereafter called "association members" or "member organizations.")

The association accomplishes its activities within the framework of the USSR Constitution and Soviet laws and in accordance with these basic principles. It advocates universal values and humane, democratic socialism and support the formation of a rule-of-law state on the basis of democracy and social justice.

The association is independent of bodies of state and economic administration, political and public organizations and movements, and is not accountable to or controlled by them.

In preserving organizational and financial independence, members of the association recognize the following principles of organizational structure of trade unions:

- voluntary membership and the right of workers and students of higher, secondary specialized, and vocational-technical educational institutions to freely join trade unions regardless of race, nationality, language, sex, political or religious convictions, social status, or other differences;
- the right of trade union members to create primary organizations for their place of work or study and to transfer from one trade union to another upon changing occupation and place of work;
- the independence of primary trade union organizations in determining the priority directions of their activities and affiliation with the sector trade union and in forming the necessary higher trade union body;
- collectiveness and openness in the work of all trade union organizations and elective bodies;
- pluralism of opinions, respect for the interests of the minority and its right to protection and explanation of its position.

### Membership in the Association

The founders and members of the association are trade unions of the USSR, all-union federations of trade unions, federations, and other associations of union republic trade unions represented at the Founding Congress of the Association and signing the Declaration of Forming the Association of Soviet Trade Unions.

The association is open to other occupational formations of workers who recognize its goals, tasks, and principles of activities.

Membership in the association is voluntary.

Admission of new members in the association is done by the Plenum of the Central Council of the Association based on the decision of their higher bodies and written appeal to the Central Council with subsequent approval by the congress of the association. A decision is considered passed if more than half of the council members vote in favor of it. In the event of rejection of admission, a trade union wishing to join the association may appeal on this issue to its congress or conference.

Membership in the association is terminated after liquidation of a member organization and also if its supreme body makes a decision to withdraw from the association. An organization is considered withdrawn from the association 3 months after submission of the statement to the Central Council Presidium, which notifies the Central Council Plenum of the reasons for the withdrawal.

A member organization accomplishing actions contrary to the principles of the association or not paying membership dues on time without valid reasons may be expelled from the association. The decision on expulsion is made at the Central Council Plenum by a at least a two-thirds majority vote of the council members with subsequent approval by the association congress. A member organization expelled from the association has the right to appeal to the congress or conference of the association.

Members of the association have the right:

- to represent their organizations and trade union members in bodies of the association, to elect their representatives to these bodies, and to recall and replace them;
- to participate through their representatives in the work of the association's bodies;
- to use information on the work of elective bodies of the association and to monitor their activities;
- to consult the association bodies on any questions of trade union activities and to receive the appropriate consultations, assistance, and support.
- to submit draft documents for consideration by the congresses, conferences, and elective bodies of the association;
- to utilize the association's capabilities for training trade union personnel;
- to withdraw from the association freely.

Members of the association:

- support the activities of the association in fulfilling its goals and tasks;



- demonstrate mutual solidarity in defending the right and interests of member organizations;
- carry out decisions of elective bodies of the association that are made in accordance with these basic principles and are not contrary to the rights and interests of member organizations;
- inform elective bodies of the association about their activities to fulfill the goals and tasks of the association;
- pay membership dues;
- mutually recognize trade union membership of workers and preserve this membership during a transition from one trade union to another.

#### Supreme Bodies of the Association

The supreme body of the association is the congress of the Association of Soviet Trade Unions which is convened by the Central Council at least once every five years. The convocation and proposed agenda for the congress are announced at least 6 months before the congress.

The representation quota for the congress is established by the Central Council of the association. The procedures for electing delegates are established by each member organization.

The congress:

- hears reports on the activities of the association's Central Council and Auditing Commission;
- determines the strategy and current tasks of the association's activities within the country and in the international trade union movement;
- approves and changes the Basic Organizational Principles and Procedures of Activities of the Association and the Regulations for the Auditing Commission of the Association;
- confirms the powers of the association's Central Council members elected by member organizations according to the principle of direct representation and elects the chairman of the association, his deputies, and the Auditing Commission of the association.

The congress is considered competent if at least two-thirds of the member organizations are represented and at least two-thirds of the elected delegates are in attendance.

The decisionmaking procedure of the congress is determined by the congress delegates.

A special congress of the association may be convened by the Central Council of the association or when requested by at least one-third of its member organizations. The congress is convened within two months after submission of the corresponding proposal. The decision on its

convocation and the proposed agenda are announced at least 1 month prior to the congress.

An association conference may be convened by to discuss urgent issues of the country's trade union movement that arise by decision of the association Central Council and also at the request of at least one-third of the member organizations. The Central Council determines the procedures for holding the conference.

Members of the association's Central Council and the Auditing Commission not elected by the delegates participate in the work of the congress or conference with the right of consultative voice.

The supreme body of the association during the period between congresses is the association's Central Council, formed on the principle of direct representation of member organizations. The representation quota is established by the association's Central Council Plenum with concurrence of the member organizations. Delegating of representatives to the Central Council by member organizations is conducted at their congresses, conferences, and during the period between them at the plenums of elective bodies of member organizations. Their recall and replacement is accomplished in the same manner. The powers of newly delegated members of the council are confirmed by the association's Central Council Plenum. The Central Council includes the congress-elected chairman of the association and his deputies.

The association's Central Council:

- coordinates the activities of member organizations of the association during the period between its congresses;
- expresses and protects the legal rights and interests of workers and member organizations in bodies of state power and administration of the USSR and uses for this purpose the right of legislative initiative at congresses of USSR People's Deputies and in the USSR Supreme Soviet;
- conducts negotiations and concludes agreements with the USSR government on questions of labor, employment, indexation of the population's monetary income taking into account changes in prices for consumer goods and services, and other questions of the standard and quality of living of workers, students, and pensioners;
- puts forward demands to bodies of state and economic administration and other bodies to repeal, suspend, or change their administrative decisions which infringe on the rights and interests of workers and are contrary to Soviet legislation;
- supports in bodies of state power just demands advanced by member organizations; organize rallies, demonstrations, and statements in the mass media;

and uses other means provide for by legislation, including strikes, to protect the rights and interests of the working people;

- interacts with public associations and movements operating in the interests of the working people;
- develops ties and cooperation with trade union centers of other countries and resolves issues associated with the membership and activities of the association in international trade union associations and organizations;
- provides member organizations, at their request, methodical, organizational, and legal assistance; organizes training of trade union personnel; and conducts interunion measures;
- informs member organizations and trade union members of its activities;
- examines and settles disputes between member organizations of the association;
- directs the activities of the association's jurisdictional organizations engaged in providing sanatorium, health resort, and rest facilities for working people, tourist sightseeing, and sports and athletics;
- approves the structure and staffs of the association Central Council;
- has a press organ—the newspaper TRUD and the "Profizdat" publishing and printing house, publishes trade union journals, and actively uses other mass media;
- accomplishes financial and housekeeping activities in accordance with the association's goals and tasks;
- performs other functions which member organizations delegate to it.

Plenums of the association's Central Council are convened as necessary and are considered competent if at least two-thirds of the council members participate in them. Plenums are convened by the Central Council Presidium or on the initiative of at least one-third of the council members.

Members of the association's Auditing Commission participate in the work of the Central Council plenums with the right of consultative voice.

The association's Central Council is accountable to the member organizations and the congress and conference of the association.

The association's Central Council forms the Central Council Presidium to work out coordinated actions of member organizations during the period between plenums. The Presidium includes the association chairman and his deputies, secretaries of the Central Council and one representative delegated by each member organization from the association's Central Council.

Sessions of the Presidium are held as necessary and considered competent if at least two-thirds of the Presidium members participate in them. If it is not possible for a member to take part in a Presidium session, the member organization has the right to send another authorized representative who is a member of the Central Council.

The association's Central Council forms standing commissions for the basic directions of its activities from among council members. The commissions are headed by Central Council secretaries elected by the council plenum.

The Central Council creates the Council Secretariat, which coordinates the activities of the standing commissions, organizes execution of decisions passed, and directs the work of the council staff.

During the period between congresses, the association chairman and his deputies are accountable to the association's Central Council.

During the period between congresses, the association chairman and his deputies may be relieved of their posts at the demand of at least half of the member organizations or on the council's initiative. The question is considered at the association's Central Council Plenum. The decision is considered adopted if at least two-thirds of the council member vote in favor of it.

The decision to relieve the association chairman and his deputies from their posts on their own initiative is made by the Central Council Plenum.

Elections of the chairman and his deputies in this case are held at the association's Central Council Plenum.

The decisions of the association's elective bodies are made by a majority vote of the members of these bodies participating in the voting with the presence of a quorum, other than those cases in which decisionmaking by a qualified majority has been established. Decisions made cannot be contrary to the rights and interests of member organizations.

The form of voting (open or closed) at association congresses and conferences and at plenums of its Central Council is determined by the congress or conference delegates and the council members.

Trade union members may be elected to the same elected position in association bodies no more than two terms in a row.

#### **Funds and Property of the Association's Central Council**

The association's Central Council disposes of the funds and property belonging to it that it needs for accomplishing its activities. The Central Council is the legal successor of the AUCCTU, including of its funds and property.

The funds of the Central Council accumulate from member organization dues and revenue from economic, commercial, and other activities of the council. The amount of dues and the procedure for their payment are determined by the association congress based on preliminary consultations with member organizations.

The Central Council creates a Solidarity Fund for providing material assistance to member organizations in connection with a natural disaster, strike, and so forth. The fund is formed from part of the member organization dues, specific-purpose contributions, donations, and gifts from organizations that do not belong to the association and from citizens.

The association's Central Council may create enterprises, organizations, and societies, establish a trade union bank, conduct lotteries, acquire shares of stock, form necessary funds, and also accomplish other types of activities meeting the association's goals and tasks.

The funds of the Central Council's trade union budget are spent for the needs of the council and member organizations according to estimates approved by the association's Central Council Plenum.

The terms of financial and property settlement upon the withdrawal or expulsion of member organizations from the association are determined by the association's Central Council.

The Auditing Commission of the Association of Soviet Trade Unions operates in accordance with the regulations approved by the congress of the association.

#### Concluding Provisions

The Central Council of the Association of Soviet Trade Unions is a juridical person and has its own seal and bank accounts.

The location of the association's Central Council is the city of Moscow.

Decisions on issues not covered by these basic principles are made by the association's council.

The activities of the Association of Soviet Trade Unions may be terminated by decision of its congress. The decision is considered passed if at least two-thirds of the votes of delegates representing at least two-thirds of the member organizations are cast in favor of it. In the event of termination of the association's activities, its funds and property are used for purposes determined by the congress.

#### Draft Declaration on Association

904F0170D Moscow TRUD in Russian 22 May 90 p 2

[Text of Draft Declaration on Formation of the Association (Confederation, Federation) of USSR Trade Unions]

[Text] Expressing the will and desire of the working masses for consolidation and uniting of their efforts and actions in conditions of intensification of the processes of economic and political reforms and democratic renewal of the Soviet state on principles of socialist federalism,

Recognizing the increasing responsibility of trade unions for protecting the socialist achievements, rights, and interests of people of labor,

Proceeding from the fact that the trade union movement in our country has to a considerable extent exhausted the capabilities of the old structures, rejecting excessive centralization which constrains the initiative and independence of trade union organizations,

The 19th Congress of USSR Trade Unions recognizes the need to structure trade unions on new, truly democratic principles and announces the formation of the Association of USSR Trade Unions.

The association includes on a voluntary basis the country's trade unions, all-union federations of trade unions, federations, and other associations of trade unions of union republics. It is also open to other occupational formation of workers recognizing its goals and tasks.

The association declares its independence from bodies of state and economic administration and political and public organizations and will operate within the framework of the USSR Constitution and Soviet laws, respecting the rights and principles of humanism and democracy secured in the Universal Declaration of Human Rights and in conventions of the International Organization of Labor.

The association sets as its main task the consolidation of forces and coordination of actions of Soviet trade unions in realizing and protecting the occupational, socioeconomic, and spiritual interests of the working people. To this end, it intends to make wide use of the right of legislative initiative in the supreme bodies of state power and other legislative means. The association will use all its activities to decisively promote the establishment of socialism as a system of true humaneness and social justice, high culture and morality, real government by the people, and equality of all nations and nationalities.

Following the international traditions of Soviet trade unions, the association will actively develop and deepen cooperation with national and international trade union organizations for the purpose of more effective protection of the interests of working people, peace, and democracy.

Embodying the new principles of organization and development of the country's trade union movement, the association guarantees to its member organizations:

—representation and protection of interests in state bodies of power and administration;

- voluntary membership in the association and free withdrawal from it;
- organizational and financial independence in accordance with their charters and programs;
- equal rights when discussing and deciding all questions of the association's activities and the right to express their own opinion;
- comprehensive support and solidarity in defending the rights and interests of the working people, including material assistance in emergencies.

Each member organization voluntarily joining the association proceeds from the fact that it is directed at preserving and strengthening the unity of the country's trade union movement and pledges to act in accordance with this declaration and the Basic Organizational Principles and Procedures of the Activities of the Association of USSR Trade Unions.

Authorized to sign the declaration on behalf of:

#### **Resolution on Draft Declaration**

904F0170E Moscow TRUD in Russian 22 May 90 p 2

[Text of Resolution of the Eighth AUCCTU Plenum on Drafts of the Declaration on Formation of the Association (Confederation, Federation) of USSR Trade Unions and of the Basic Organizational Principles and Procedures of Activities of the Association (Confederation, Federation) of USSR Trade Unions]

[Text]

1. To approve drafts of the Declaration on Formation of the Association (Confederation, Federation) of USSR Trade Unions and of the Basic Organizational Principles and Procedures of Activities of the Association (Confederation, Federation) of USSR Trade Unions and to publish them in the newspaper TRUD.
2. The committees and councils of trade unions to organize broad discussion of these drafts in trade union organizations, at plenums of trade union bodies, and at trade union conferences and congresses; to summarize suggestions and comments on the drafts; and to send them to the AUCCTU by 1 September 1990.
3. To instruct the AUCCTU Presidium and the Commission for Preparing the 19th Congress of USSR Trade Unions to finish work on the drafts of the Declaration and the Basic Organizational Principles, taking into account the suggestions and comments received.

#### **Klochkov Views RSFSR Union Federation Independence, Function**

904F0129A Moscow TRUD in Russian 10 Apr 90 p 1

[Interview with I.Ye. Klochkov, chairman of Federation of Russian Independent Trade Unions, by F. Yemchenko, Moscow: "Without Ultimatums and Confrontation"]

[Text] A report was published recently in TRUD on a meeting between the management of the Federation of Russian Independent Trade Unions and the Chairman of the RSFSR Council of Ministers A.V. Vlasov. With regard to the nature of the discussion, it was stated that it concerned a dialogue between interested partners.

Many questions have arisen in this regard: is this not the beginning of the traditional "coordination" with the trade unions of certain governmental decisions that touch upon the interests of the workers? Will the Russian trade unions truly be independent if excessively close contacts are established with the government at the higher echelons of management? And there is another consideration. As is known, before very long the people's deputies of the RSFSR Supreme Soviet will hold their first congress. They will obviously approve the new composition of the republic's government. Was the dialogue with those who in all probability are not aware of the role intended for them in the future carried out in too hasty a manner?

Understand, these are not idle questions. Today the people wish to participate in the adoption of decisions which affect their interests. (L. Sokolov, Ryazan)

A TRUD correspondent asked Chairman of FNPR [Federation of Russian Independent Trade Unions] I.Ye. Klochkov to provide answers to the above questions, sent in by one of our readers.

[Yemchenko] Igor Yevgenyevich, as you can see, the "people are not sleeping." Henceforth, judging from all appearances, our work will be under the control of the working masses. In this regard, I would like to add my own question: Will this aid the work being carried out by the federation's council or will it create additional difficulties?

[Klochkov] The constituent congress at which the Federation of Russian Independent Trade Unions was created stated its position in this regard in a simple manner—for complete glasnost in the work of the elective organs. Control from below not only does not interfere, but in fact it is needed in our work. The federation's council, which includes 313 individuals, was created based upon a new principle—direct delegation from membership organizations, with the right of recall and replacement of its representatives at any moment. It turns out that the council is accountable not only to the congress but also to the primary organizations, where the members of the council work and to whom they report.

With regard to the meeting in the RSFSR Council of Ministers, the initiative for holding this meeting came



from us. Actually, for the very first time in our history, the constituent congress created a Russian trade union center and adopted a number of documents for the republic's government, which we should have delivered to A.V. Vlasov for processing and decisions. And it made no sense to postpone this work for more than one and a half months, until the Congress of People's Deputies and the formation of the new government.

[Yemchenko] Thus what would this delivery be considered in diplomatic language—credentials or a memorandum?

[Klochkov] Neither the one nor the other. Our task, as we imagined it, consisted of acquainting the leadership of the republic's government with the structure of the elective organ of the newly created association of trade unions and defining the channels for interaction in solving the many social problems.

The work of the FNPR Council will be concentrated in five committees: wages and social guarantees, labor regulations and ecological problems, legislative initiative and legal work, agrarian reform and revival of the rural areas and humanitarian questions.

One can easily understand that the work of these committees must be carried out in close contact with the appropriate subunits of the RSFSR Council of Ministers and with the committees and commissions of the Supreme Soviet of Russia. This will make it possible to avoid certain ultimatum forms in the relationships with legislative and executive authority. Problems should be taken care of, conflicts should be avoided and solutions found in a timely manner. We see this as our task and not that of driving someone into a corner and displaying our independence and high principles. It is my opinion that we are all sufficiently convinced: if the work reaches the stage of a conflict or confrontation, both sides stand to lose. And the workers will lose to the greatest extent.

[Yemchenko] Is it such that the fears expressed by the Ryazan reader that "excessively close contact" of the new trade union organ with the government will deprive it of its independence are in vain?

[Klochkov] Beyond any doubt. I wish to note that nobody is encroaching upon our independence: neither party nor state organs. It is possible that attempts are still being made in various areas to issue orders to the trade unions. But it can be stated directly that this is atavism of a stagnant psychology. Here a great deal depends upon the trade union organizations themselves.

In returning to the meeting in the Council of Ministers, I wish to add that a discussion also took place there on the preparation of an agreement for next year between the trade union center and the government, one which would regulate the relationships of the parties involved and define their mutual obligations, particularly in the sphere of social guarantees. This would be a type of social contract at the republic level.

[Yemchenko] At the present time, the agenda includes the question of the economic and political sovereignty of Russia and a conversion over to regional cost accounting. All of this will necessarily have an effect on the position taken by the trade unions. What changes do you see in this regard?

[Klochkov] The logic of the economic reform reveals that many structures of the administrative-command system still persist today. Concerns and firms are being found more frequently in industry and construction. The ministries are taking on a new quality and forfeiting the function of control. Thus serious changes are inevitable within the trade union movement. On a more frequent basis, the opinion is being expressed that the trade unions must develop not according to the branch principle but rather on a professional basis. Take the miners for example. Indeed, miners are found in the metallurgical industry and in the agroprom [agro-industrial committee]. Recently, I was among those who procured potassium salt. The workers were operating at a depth of 600 meters. Certainly their professional interests are similar to the hopes and aspirations of miners. The same holds true for builders; indeed they are practically in each branch of the national economy. Up until now, our trade unions have joined together only in accordance with the branch "ministerial" principle.

The constituent congress has proclaimed the formation of the Federation of Russian Independent Trade Unions. It must still be created on a new basis, with one of the chief principles being that of uniting people on a professional basis. These are precisely the trade unions that are needed by the people today.

Many problems are arising in connection with regional cost accounting and the conversion over to a market economy. Contractual prices for the delivery of products are increasing in importance. At the present time, many enterprises are carrying out a type of natural exchange of the type: you give me labor and I will give you cement. In such a situation, the most difficult conditions are created for those who work in the non-production sphere—workers in public health, public education and culture. And here we have millions of people. They cannot offer their own goods in exchange and they lack the funds for paying contractual prices. And what about those individuals with fixed incomes who live on pensions, grants and allotments? Here the trade unions must demand that the government "regulate" the conversion over to market relationships in the interest of protecting the interests of all categories of workers and all members of trade unions.

Our meeting with the leadership of the RSFSR Council of Ministers was dedicated to discussing these problems and launching a search for mutually acceptable solutions. The deputy chairmen of the FNPR, N.D. Malakatkina and V.I. Romanov, and the deputy chairmen of the RSFSR Council of Ministers, F.A. Tabeyev and A.A. Khomyakov, also participated in this meeting.

### Miners Debate Union Independence At Congress

904F0130A Moscow *RABOCHAYA TRIBUNA*  
in Russian 3 Apr 90 pp 1-2

[Article by V. Somov, Moscow: "In Pursuit of Life"]

[Text] These festive walls have lived through various events and yet never before have speeches of such intensity been heard resounding against the decorous official-ceremonial arches of the Hall of Columns. At times, the sense of reality seemed to disappear and it appeared that a roaring crowd had assembled for a meeting. I had never seen a miners' strike with my own eyes and yet today it was easy for one to understand the inflexibility, energy and passion displayed by the miners as they defended their rights.

The congress for the trade union of miners was a special one. In other words, it was an extraordinary congress. And it was viewed as such in terms of both its title and essence. It was created in response to a demand by the miners. This was neither a caprice nor whim.

The cup of patience of those people who, more than all others, sensed the anti-humane essence of the administrative system was filled to overflowing. And finally the realization came: only by means of protests and strikes was it possible to obtain an additional piece, but this would not create a reliable protection for one's rights. At a majority of the mines, the strike committees and worker committees operate in parallel with the trade union committees, which have suffered a loss of trust. Nor can this be referred to as dual authority, since the trade unions have actually forfeited authority in the labor collectives.

With pain and at times anger, the miners discussed how, during the period of strike ordeals, many of the trade union functionaries turned up on different sides of the barricades than those occupied by the miners. This was generally referred to as "not according to the workers." But if such words did not drift through the Hall of Columns, it was only because scarcely any of the miners formerly considered the trade unions to be their own. Initially, they were an appendage of the administrative system and, as the saying goes, they served it with faith and truth.

All of this defined the atmosphere of the congress. The following statements were heard emanating from the tribune and simply throughout the hall generally:

"There is no need for any reports! We will not travel the same path as the trade union committees!"

"The miners do not trust the functionaries!"

"I will not vote for the decisions that have been adopted! I will do everything to disrupt the congress!"

"I will not depart this hall until I have done everything expected of me!"

"Why are there no governmental leaders here? I propose to interrupt the work of the congress until such time as Gorbachev and Ryzhkov make an appearance here."

"Let us leave the congress! It has been organized by apparatchiks!"

It became necessary to shift the meeting to Minugleprom [Ministry of the Coal Industry], since the congress had been dragged out. Quite often, as a result of bitter disputes, the chief consideration was overlooked and swords were crossed over unimportant lines in the regulations, the platform and other documents. But the congress nevertheless took place! And they did not succeed in disrupting it. However, some delegations left the hall. Regardless of the degree to which the delegates were overwhelmed by the meeting environment, the majority displayed endurance and intellect and kept the congress from being dislodged from the constructive channel onto a sandbar of demagoguery. As regards the government, it was subsequently represented by L. Ryabev, deputy chairman of the USSR Council of Ministers.

One can understand the impatience of the miners and their thirst for changes. It would seem that the misfortunes of our emaciated economy are focused on this most difficult branch. The illegality of the labor collectives, day-labor which degrades human worth and a constant threat to life and health. For example, the following figures were cited. An average of approximately 600 miners perish each year along the coal faces and the injury rate remains high. Roughly 100 million tons of harmful substances are released into the atmosphere. And what about the domestic conditions? Are they really adequate, given the expenditures of physical labor and the contribution made by the miners towards economic development? In the mining settlements there are many decrepit homes and, to put it bluntly, overgrown areas. The lines waiting for apartments are not becoming shorter. At the same time, 150 million rubles are not being spent annually for the construction of homes.

An individual turns out to have an avalanche of these problems. The trade unions silently retreat to the side of the road. True, the chairman of the Central Committee M. Srebnny attempted to prove in a report that a healthy process is taking place in the trade union for miners. But a convincing evaluation of this "process" was found in a statement made at a site: "The questions are being resolved in a hurry." Yes and the report that was received was dashed off hurriedly, since the delegates did not wish to listen to a wordy report.

Had the branch's trade union reached that line where true renovation commences? The miners lacked such confidence. Is this not why many delegates sincerely stated aloud exactly what they thought: "The trade unions are fighting for their survival and not for the interests of the miners." The miners could only embarrass the staff of those participating in the congress. Of

600 delegates—more than one half were former apparatchiks and only 122—underground workers. The functionaries had no intention of yielding positions, but rather they wished only to renew the white-washing of the staggering building.

"Apparatchiks" and "functionaries"—these words are offensive to trade union activists. And here it is difficult not to share the grief of a drift miner or combine operator, who became a full-time chairman of a trade union committee after 20 years of work underground. Here we have in mind other "defenders" of the interests of miners. During the congress, for example, a committee was created for studying exactly how sanatorium and resort passes are to be distributed among personnel attached to the trade union's central committee and how Soviet miners are represented abroad and by whom. And here is what happened.

One of every three workers attached to the central staff vacations on the basis of passes. The proportion is different for miners—one pass for every 20 individuals. A Central Committee worker would not be offended if a delegation was formed abroad and one half of the positions remained available.

"We went as translator-consultants," explained the chief of the International Department V. Myachin. "We accompanied the management. And is it your opinion that the management should not expand its horizon?"

"The horizon must be expanded," one delegate could not restrain himself from stating into the hall's microphone. "As miners, we have an obligation to expand our horizons. We must see and be aware of how miners live in the FRG and Australia and how they fight for their rights."

A statement made by Donetsk delegate V. Ladygin was sharp and yet fair for the most part:

The time is at hand for clearly defining who is who. The present staff of the trade union's central committee is not capable of operating. We do not need trade union assistants of the minister. We need fighters. Is this really the task? The branch which has been excited for a year's time and Minister Shchadov who, just as in the past, is at the helm. And the trade union is tolerating this.

Yes, the campaign for independence for mining collectives is being headed once again not by trade union committees, but mainly by strike and worker committees. The miners have achieved the right to dispose themselves of at least a small portion of the coal, to sell it abroad and to procure food and medicines on a barter basis. Decisions have been handed down in this regard and yet Minugleprom often refuses to issue licenses.

The opposition continues to direct operations in the branch. The strike syndrome was clearly reflected in the work of the congress. On more than one occasion, demands were heard calling for the miners to assemble separately. Or for decisions to be reached in the absence of staff workers. And the word "dissidence" was heard

being uttered throughout the hall. Some speakers attempted to reason with the zealous "dissidents." But it seemed to me that the appeal by the chairman of the International Organization of Miners, A. Skargill, was most convincing:

"If you have a disagreement with or a complaint against the leadership, re-elect it. But do not destroy the trade union. Your colleagues in many countries have already endured the dissidence. The only ones who profited from this—the entrepreneurs and the government. Once again, I request—protect the trade union, revive it from a democratic standpoint and be prepared to fight for your rights."

To negate and destroy is a very simple occupation today. But what can be offered in its place. The appeal is not drowned out nor lost in the noise of the hall or uproar of voices—to decide what to do today for the trade union and what positions must be taken in its behalf.

"We must not be dependent upon anybody," stated a delegate from Prokopyevsk N. Kolesnikov, "not upon the party, the state, nor a department. We need a completely independent trade union."

"The chief function of a union of miners—to provide protection."

An absolute majority of the delegates supported this opinion by the chairman of the trade union at the Karaganda Stepnaya Mine, M. Nikiforov. The interests of the miners—economic and social—must become the principal gauge for measuring the work of a professional trade union. It is enough to direct independent activities in a club or to issue passes for kindergarten. Let this work be carried out by others. The concern of the trade union is to ensure that the state creates normal working and recreation conditions for the miners.

What is preventing the creation of an independent trade union for the miners? In the opinion of many of the delegates, it must be based upon a Law Governing USSR Trade Unions. We still do not have such a law. Nevertheless the miners, in their problems and disputes, all of which add new meaning to the regulations for their organization, have strived to instill in the regulations the ideas of independence and to make the trade union protective in nature. The title of the trade union has been defined more precisely. The term "worker" more accurately reflects its composition. Instead of the discredited central committee, which was given an unsatisfactory evaluation by the congress, a council was elected. Although everybody is clearly aware that the replacement of the sign and title is still not the essence of perestroika nor a guarantee for change. The trade union must still extricate itself from under the administrative press and the bureaucratic corkscrew. But, if you please, the simplest action is that of returning the trust of the miners and avoiding dissidence in the worker's movement.

Thus, will the miners accept the revised trade union?

## CIVIL AVIATION

### Minister Assesses Soviet-American Air Agreement

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in Russian 9 Jun 90 pp 1-2

[Interview with B. Ye. Panyukov, USSR minister of civil aviation, by VOZDUSHNYY TRANSPORT correspondent I. Grigoryev: "A Bridge Is Being Built From Both Sides"]

[Text] *The scheduled Soviet-American meeting at the highest level has ended in Washington. The most important result of the current summit meeting between USSR President M. S. Gorbachev and U. S. President G. Bush is the package of agreements reflecting the role of the USSR and the United States in establishing bridges of mutual understanding and trust between East and West.*

*One of the agreements signed in Washington concerned Soviet-American bilateral ties in the field of civil aviation. Our correspondent discusses the current status of these relationships with B. Ye. Panyukov, USSR minister of civil aviation.*

[Grigoryev] The history of Soviet-American relations in the field of air service is very instructive. Indeed, on this long and difficult path there have been both periods of flight and confrontation, as well as difficult and at times agonizing searches for mutually acceptable arrangements...

[Panyukov] Yes, as you know, we have had a difficult period in relations with our American colleagues, let me say frankly. Judge for yourself: for almost five years, from 1982 to 1986, the two great powers, which have been linked by diplomatic relations and which have trade and economic, scientific and technical, and cultural ties, have been deprived of an air bridge. We considered a situation such as this, when the doors between the two countries turned out to be slammed tight, to be at least illogical, of course, because nullifying the many years of Soviet-American cooperation did not meet the interests of either side in the slightest, and it should have been normalized in the shortest possible period of time for this reason. However, over four long years passed by before the barrier on the intercontinental air bridge was lifted. This took place on 29 April 1986.

I would like to point out one noteworthy detail in this connection: almost all the past Soviet-American meetings gave substantial impetus to the development of cooperation between our states in the field of civil aviation. This is understandable, however, since foreign economic ties always follow the lead of state policy.

It is enough to recall the meeting at the highest level in Geneva in November 1985, which created favorable preconditions for the restoration of direct air service between our countries. In the document signed on the results of the Geneva meeting, one of the points concerned the resumption of air service, which attests to the

importance of aviation cooperation, an important element in overall relations between the two countries.

"The leaders of the USSR and the United States noted with satisfaction that agreement had been reached to increase the number of direct flights, including joint operation of the route between Moscow and New York by the Aeroflot and Pan American airlines within the framework of the agreement on air service..."—this high assessment of our cooperation was given in the joint Soviet-American statement at the highest level on the results of the meeting in Washington (December 1987).

Flights on the route for joint operation between Moscow and New York were begun on 15 May 1988 in a Pan American World Airways Boeing 747. I will point out that this was the first time in Aeroflot's experience that it had taken part in the joint operation of an international air route in an aircraft of a foreign airline. I would particularly like to emphasize that the national air carriers—Aeroflot and Pan Am—have found themselves in a situation that is changing for the better in relations between the USSR and the United States, and they have made a worthy contribution to their development. This was reflected in the joint statement at the highest level in Moscow in 1988, where extension of the interaction between Aeroflot and Pan American based on the Soviet-American intergovernmental agreement on air service was mentioned as a positive example of mutually advantageous cooperation.

The new Washington "summit" was no exception in this regard.

[Grigoryev] Boris Yegorovich, what are the basic provisions of the new Soviet-American agreement on civil aviation which was signed on 2 June by USSR Minister of Foreign Affairs E. A. Shevardnadze and U. S. Secretary of State J. Baker?

[Panyukov] I should explain first of all that this document, which came into force on the day it was signed, is a replacement for the intergovernmental agreement of 4 November 1966. Important and qualitatively new aspects of our bilateral relations were recorded in it. Preparation for the agreement was preceded by three rounds of Soviet-American consultations that were very complex. Now concerning the basic provisions of this document.

Under the arrangement reached, the Soviet side has the right to designate six aviation enterprises in addition to Aeroflot for service on the routes linking the USSR and the United States as of 1 April 1991. Accordingly, the Americans will be able to designate the same number of airlines in addition to Pan Am.

Your readers are interested in this question, of course: which of the Soviet aviation enterprises will be making flights to America? This matter is being studied at present. I can say only one thing: no one has been forbidden entry into the "transatlantic air carriers club." Civil aviation territorial administrations and production



associations, which have the legal rights to independently operate in the foreign market, will be competing with each other for the right to obtain a license for flights on one route or another. Of course, the preparedness of cockpit and technical personnel, knowledge of phraseology in the English language for radio communications, readiness of the ground production base, provision for flight safety, and the appropriate level of service will become the determining factors in favor of one enterprise or another.

The frequency of flights is being significantly increased. Beginning in April 1991, designated aviation enterprises of the USSR will be able to make up to 22 flights per week in Il-62 aircraft between Moscow, Leningrad, New York, and Washington. And in 1992 this number will be increased further—up to 37 flights per week. American airlines acquire similar rights under the conditions of reciprocity. Incidentally, flights have already been doubled for the summer schedule this year—Aeroflot is making five flights per week to New York in an Il-86 aircraft and three flights to Washington in an Il-62M. In addition, based on joint operation of the route, a Boeing 747 airliner is making five weekly flights between Moscow and New York.

The following figures graphically attest to the increase in flights: in 1989, Aeroflot carried over 100,000 passengers between Moscow and New York and Washington, nearly twice the number in 1988.

The areas covered by the flights are being extended considerably. In addition to New York and Washington, Soviet aviation enterprises have received the right to make 20 regular flights per week in an Il-62 aircraft to Chicago, San Francisco, Miami and Anchorage from any point in the territory of the USSR. American airlines will not only be able to make flights to Moscow and Leningrad, but to Kiev, Riga, Minsk, Tbilisi, Khabarovsk and Magadan as well.

In addition to the scheduled flights, Soviet and American aviation enterprises have received the right to make charter flights between points in the USSR and the United States. Taking into account the considerable demand expressed by the sides for the development of broad ties between the west coast of the United States and regions of the Soviet Far East and Chukotka, we agreed not to limit the number of charter flights by airlines of the two countries under a special quota in this region. Especially as business contacts between the Far Eastern regions of the USSR and the American Far West are expected to be increased substantially.

Broader opportunities are being provided for Aeroflot to operate in the American market for air transportation. So Aeroflot—once again for the first time—is receiving the right to freely sell its own transportation documents on its own forms, as well as the right to assign agents for their sale throughout the territory of the United States.

I believe that this agreement, whose basic provisions I have told you about, can be called unprecedented

without any exaggeration. And we have a right to hope that the market for air service on both sides of the Atlantic will be developed at a rapid pace. By the way, as you mentioned, this concerns not only the transatlantic routes. Soviet aviation enterprises now will be able make flights on Pacific routes from points in the Far East to the west coast of the United States. As far as a point such as Miami, in Florida, is concerned, we will be able to use it to fly to countries in Central and South America.

[Grigoryev] Indeed, the prospects for well-grounded work in the American market are very attractive. Though this apprehension probably exists: will our aviation enterprises be able to compete successfully with experienced American air carriers?.. Incidentally, this agreement evidently touches on one more aspect of a purely economic nature. The boom in trips abroad, particularly to the United States, by Soviet citizens which began in mid-1988, which was related to simplification of the procedure for registering exit documents, the organization of joint ventures, and expansion of foreign trade operations, put Aeroflot in a difficult position. Being unable to meet this unforeseen demand, it was compelled to transfer passengers who bought tickets with rubles to flights on foreign airlines by paying for them with foreign currency. This resulted in a substantial financial loss for the Soviet airline. But now, in connection with the increased number of flights and a more extensive network of routes to the United States, perhaps we will manage somehow to reduce the demand that has not been met for flights on routes to America?

[Panyukov] I think so, although the foreign exchange situation will continue to be complicated. However, I do not think we will be carried away on this account: after all, we must take into account that the demand will continue to increase. The program for extending bilateral cultural, educational, and scientific and technical exchanges, the development of trade and economic ties, trips by delegations of various public organizations, and finally, the departure of emigrants for permanent residence—all this provides grounds for stating that the passenger flow will continue to increase in the future.

You are right: the foreign currency expenses for a flight are still reaching an impressive sum for us. After all, for flying over foreign territory, for landing at a foreign airport, for refueling—we have to pay hard foreign currency for all this. On many routes which previously were considered profitable with respect to foreign currency, most of the passengers now are our countrymen who have acquired tickets with rubles. For this reason, earning foreign exchange, if only to pay off a foreign partner, is not simple at all.

[Grigoryev] The opinion of THE NEW YORK TIMES in this connection is interesting. Acknowledging that Pan Am flights to the Soviet Union had increased by 195 percent compared with 1987, the newspaper nevertheless feared that it would be much more difficult to obtain a profit on these routes than it was to conclude the agreements... Inasmuch as Aeroflot is selling tickets for

the aircraft of other airlines only after tickets are sold out for its own flights, American air carriers will have to count basically on passengers from the United States, THE NEW YORK TIMES writes. How would you comment on this view by the New York paper, Boris Yegorovich?

[Panyukov] Indeed, because of the ruble's inconvertibility, our American partners have been deprived of the opportunity at present to sell their flights on the territory of the USSR and to make an appropriate profit, as Aeroflot will now be able to do in the United States. For this reason, Aeroflot will be transferring a specific number of passengers who have tickets acquired with rubles to flights on American airlines to compensate for this. This will enable our partners to cover part of their expenses on the territory of the USSR and at the same time it will make it possible for Soviet passengers to take flights on American carriers by paying in rubles.

One more fundamental fact. The new agreement on air service seems to be reinforced by the Law on Departures which is now being discussed in the USSR Supreme Soviet, which should simplify the formality for those wishing to travel abroad considerably. I will note that the increase in the number of flights and of course, the extended network of cities in the United States where Soviet air carriers now will be able to fly will contribute to this as well.

Returning to the Soviet-American agreement signed in Washington, I want to express confidence that this document will open an important stage in our cooperation in the field of air service.

[Grigoryev] Thank you for the interview, Boris Yegorovich.

#### **Aircraft Testing, Dated Equipment, Crew Training Scored**

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in Russian 7 Jun 90 p 2

[Article by S. Belogorodskiy, professor and doctor of technical sciences: "Tomorrow's Aircraft Are Yesterday's, and What a Problem That Is!"]

[Text] According to high decrees and decisions, 1990 is the time scheduled for the new Il-96 and Tu-204 aircraft to be delivered to Aeroflot and put into operation. They should be delivered, but I do not think they will be. The current state of affairs and the course of testing attest to this. Of course, they can keep within the period assigned and sign an official document toward the end of the year on the completion of state and operations testing and the beginning of passenger service, all the same. Alas, we have had such an experience. But this regrettable experience attests to the fact that aircraft are being turned over for operations in accordance with requirements that have been drastically truncated.

Numerous decisions and plans for further refinement and testing of the aircraft are signed at the same time as the documents on the beginning of operations. The aircraft manufacturers are unsparing in their promises here. As some of them like to say: "A promise is not wastefulness."

Later on these promises are not kept, as a rule, with respect to either the time or the content. Here is an example concerning Aeroflot's current flagship, the Il-86.

The SAU-3 automatic flight control system, which corresponded more or less to the requirements for the early 1980's, should have been installed in it (in conformity with the technical specifications). However, the Il-86 aircraft were turned out and accepted in accordance with altered TZ [specifications] with the SAU-IT-2 system, which was developed in the late 1950's and does not meet the requirements at all. It looks as if Il-86 aircraft will be going into the next century with this system, which should have been retired long ago, inasmuch as the promises of the OKB [Experimental Design Bureau] S. V. Ilyushin on modernization of the aircraft's equipment, confirmed by decisions of the USSR Council of Ministers Military Industrial Commission, are not being carried out.

Testing of this same airliner on a slippery runway covered with water and slush was completed eight years after the beginning of operations. Let us say frankly: beginning operations with incomplete and inadequately tested aircraft has become the rule in our country.

Aeroflot is struggling, but the forces are unequal. Back in the stage when the specifications were being developed, the most strenuous arguments began with the OKB. And in the coordination stage, Aeroflot incurred the first losses. Industry basically coordinated the requirements for the Il-86 and Tu-204 aircraft at the level of features on foreign aircraft which were already flying by that time. But in certain cases the features agreed upon were worse than those of similar foreign aircraft. So a lag for a minimum of four to five years was built in from the very beginning for the development and testing of the first series aircraft. Another three or four years are spent on subsequent refinements. It is not hard to figure out how far behind our current aircraft are.

This is particularly evident in the area of equipment. Automatic landing systems have been installed on foreign aircraft for over 15 years now.

Automatic landing systems were developed through the joint efforts of the aviation industry and Aeroflot, first in the Il-62, then later in the Tu-154 in the late 1970's. They passed the state tests and were recommended for series aircraft of these types. However, not one such aircraft has come out of the series plant.

In spite of repeated requests from civil aviation, the OKB imeni A. N. Tupolev has refused to install automatic landing systems, even on the Tu-154M, which has been turned out since the mid-1980's.

It has been nearly 10 years now since so-called electronic display systems have been installed in foreign airliners.

But what is most astounding is that this display system was first demonstrated by domestic aircraft manufacturers at the Le Bourget exhibition more than 10 years ago in a specially equipped Tu-154 aircraft. This was not just a short-term sensation. It was a powerful stimulus for foreign aircraft manufacturing firms, which began turning out series aircraft with electronic displays in a short period of time. Combined with automatic control systems, this display system has made it possible to have a crew of two pilots on aircraft which carry 500 passengers.

The electronic display system for the Tu-154 mentioned was developed by the noted French firm (TsSF Tomson) for foreign currency in response to an order from the Ministry of the Aviation Industry. The results of this work were realized soon afterward in equipment for the A310 Airbus family.

The general designers of the aircraft also have begun speaking out at the top of their voices now about the unsatisfactory equipment situation. Of course, it should be stated self-critically at the same time that the present situation was their fault as well. The point is that the services concerned with equipment in the OKB's that are building aircraft are lagging considerably behind today's requirements in their development. Unlike the foreign aviation firms which are refining their own equipment complexes and have the test bench facilities for this purpose, practically all our most important work to check out complexes for the Il-96 and Tu-204 aircraft are concentrated in the Scientific Research Institute for Aviation Equipment. But this is a young institute which is still accumulating experience and has limited capabilities at present; generally speaking, it should have been performing tasks of a research and experimental nature, but not of a production nature by any means, as originally planned.

Only when the center of gravity in organizing equipment complexes is shifted directly to the aircraft-building OKB's will we be able to stop the lag in domestic aircraft equipment, and then to eliminate it. The following is one of the crucial factors here. In order to perfect our equipment complexes we need dynamic testing facilities which enable us to simulate the various conditions which develop in the flight operations process completely and accurately. It is most advisable, more precisely most practicable, to have such facilities, which are very complicated cockpit simulators, only in the aircraft-building OKB's.

The preparations for flights in the spaceship "Buran" graphically demonstrate the role of simulators and flying laboratories. According to Doctor of Technical Sciences

L. Berestov, one of the managers of the Flight Testing Institute, all the basic development was conducted on simulators and in the flying laboratories. It proved to be necessary to make all 16 flights in the "Buran" simulator. Development such as this with ordinary aircraft would require 1,500 flights.

But the reason cited for our lag in aircraft equipment is far from the only one. The supermonopoly in developing and manufacturing it has played a highly negative role. Inertial systems, which are the most important element of the navigation complexes, are being made only by one firm at present. On-board navigation systems, gyrohorizons, and most types of radio equipment are also being turned out by one firm. The list can be continued even further. Monopolism has become the rule, not the exception, unfortunately.

And where there is monopolism there is dictation, and this would be funny if it were not so sad, as they say; the same general designers of aircraft who essentially are dictating their conditions to the customer—Aeroflot—find themselves in the unenviable role of petitioners with practically no rights when they ask the suppliers for equipment. But after all, back in the 1970's and 1980's they were able to select automatic flight control systems, for example, from two autopilot firms in stiff competition with each other.

The aircraft developers justifiably complain about the limited selection and poor quality of components, parts and materials. There is no question that this can have an effect on the weight, dimensions, and reliability of the equipment, engines, and even the aircraft as a whole. But in many cases there is a tendency to shift the blame to "someone else" by concealing their own unwillingness and inability to find the best possible solution when there are restrictions. Finally, in speaking of reasons for the lag in domestic equipment, we have to mention the negative role that the practice of ordering new flight control and navigation equipment which is now in effect has played and is continuing to play, in our view. The principal customer turns out to be Aeroflot, not the aircraft manufacturing firms, as it should logically be. But this is not the only shortcoming in the current practice of ordering new aircraft. And we will return to this problem again.

Statistics show that 65 percent of the accidents involving jet aircraft are related to errors by the crew. For this reason, a great deal of attention is devoted to pilot training throughout the world.

It has become a rule in other countries that the various simulators and other training devices are developed at the same time as the aircraft and they become ready before the aircraft are turned over to the airlines.

The aircraft manufacturing firms develop the instructional programs for retraining in new types of aircraft and train the first crews. They have large, well-equipped training centers at their disposal for this. It appears that operating the A310 Airbuses in the future will teach us a

great deal. Training of the crews, using video-computer instructional systems and simulators, is now under way. The training period is about three weeks. For reference: retraining for the Yak-42, an aircraft that is considerably simpler, takes three weeks at the Ulyanovsk Center.

The Ministry of the Aviation Industry believes that training crews is Aeroflot's job. Simulators are coming to the civil aviation training centers several years after an aircraft begins service. And in the final analysis, we have been resigning ourselves to this for several years now!

Even now, the development of simulators for the Il-96 and Tu-204 has been delayed substantially. Industry is doing practically nothing to develop other technical training facilities. Training of the first crews for the Il-96 and Tu-204 is being conducted on a primitive level: the production test bench on which the flight control and navigation equipment is checked out is being used instead of a simulator.

It is hard to consider the situation normal when there is practically only one organization in the entire country that is making simulators. And there is not one firm that is developing up-to-date audio-visual training facilities and many other things that are necessary for quality training of cockpit personnel.

To a considerable degree, this situation lies on the conscience of the general designers, who think only about developing aircraft and do not want to be burdened with concerns about providing Aeroflot's production enterprises with everything needed for normal operations in a timely manner, and this includes training facilities, of course.

It is certainly high time to pass a government decree not only on the development of aircraft, but on a system for their operational support. At the same time, we should provide for the establishment of well-equipped aircraft maintenance centers based in modern hangars and training centers equipped with computers and audio-visual instructional facilities, as well as simulators which imitate aircraft flight appropriately.

The practice of adopting decrees has to be abolished altogether later on, obviously. It should be replaced by a system for developing aircraft and the complex of facilities to provide for their operation which is based on the principles of a market economy and competition. This will prompt the general designers to devote more attention to the needs of civil aviation.

So what is going to happen to the Il-96 and Tu-204 now? We should modify them until they meet all the requirements that have been set, test them thoroughly, and only after this should we begin sending them to operations enterprises. We cannot permit tomorrow's aircraft to have yesterday's features. We must resolve the problem of speeding up the development of a complex of facilities to train cockpit personnel.

But this is a minimal program, so to speak.

The conversion which is now under way opens many opportunities to fundamentally improve the development and manufacture of new aircraft for civil aviation. A great deal depends here on the management of the Ministry of the Aviation Industry, which should put an end to the internal monopoly of general and chief designers. Airplanes, helicopters, engines, and equipment should be developed on a competitive basis at least to the prototype level. The same also applies in full measure to other industrial ministries which take part in aircraft development.

Taking into account the fact that Aeroflot is not being provided with aircraft satisfactorily at present, it seems necessary to work out a program to develop civil aircraft manufacturing. It would be advisable for the USSR Supreme Soviet's Transport Commission to adopt such a program after it has been thoroughly discussed with a broad range of specialists.

But what could Aeroflot do now to improve the system for ordering and accepting new aircraft? A great deal, in our view. Since we do not have the opportunity to examine this problem in detail in this article, we will touch upon just one of the most important aspects.

The debates surrounding the crew for the prospective aircraft are continuing. In its requirements for the Il-96, Tu-204, and Tu-334, Aeroflot tends to favor a crew of two pilots and a flight engineer. At the same time, many pilots refer to the unreliability of the navigation equipment and suggest that the third crew member be a navigator or pilot. But industry, guided by international practice, proposes that there be only two in the crew. What is the correct answer to this question? I do not think there can be a simple answer, because the operating conditions vary.

The case is exactly the same with the equipment question. If an aircraft is flying on airways that are well equipped with radio aids on the ground, the complex of flight control and navigation equipment may be simplified. Accordingly, the aircraft will become less expensive and lighter. If flights are to be over areas which have no reference points, we have to be concerned about self-contained navigation.

There are a great many such questions, and they all should be asked of an aircraft's general designer. The technical-economic proposals on modifications of a future aircraft and its specifications should be worked out on their basis. A commission or a special organ attached to the sector's council, consisting of operators, scientific research institutes, and the Association of Civil Aviation Cockpit Personnel, could be established to review these materials. This commission could be charged with tracking not only the aircraft's development, but its operation later on.

Let us emphasize that the participation and role of the professional pilots should be reinforced considerably in all these developments at all stages.



This has been a discussion of the problems affecting airplanes. Helicopters have the same problems, if not even greater ones. In ordering helicopters, Aeroflot plays a secondary role after "the principal customer." And the voices of those engaged in civil aviation operations are heard even more faintly in the OKB's engaged in building helicopters than they are heard in the OKB's building airplanes for that reason.

### **Poll Examines Quality of Aeroflot Service**

904H0235B Moscow VOZDUSHNYY TRANSPORT  
in Russian 8 May 90 p 1

[Article by L. Kazakova, member of the Soviet Sociological Association, USSR Academy of Sciences, and candidate of historical sciences: "Through the Passenger's Eyes"]

[Text] In February and March, the Soviet Sociological Association conducted a national poll on the quality of Aeroflot's work. Those polled included workers, employees, representatives of the intelligentsia, students, servicemen, and employees of institutions who travel abroad on business most frequently. And aviators themselves, of course.

Is the transport service for Aeroflot passengers convenient for you? Some 55.2 percent gave an affirmative answer, 32.7 gave a negative response, and 12.1 percent found it difficult to answer.

Some 46.3 percent felt that the service at airports, including the commercial service, is poor, and 37.6 percent had difficulty in responding, since they feel there is no service at all at airports. And only 16.2 percent of those who are less "exacting" say the service suits them.

Of those polled, 20.6 percent said that hotel services are unsatisfactory, but 77.1 percent do not think it is possible that we have such services at all.

Some 54.7 percent believe that the architectural appearance of our airports is out of date and most of them view it as provincial.

Of the passengers polled, 30.4 percent are dissatisfied with the services provided on the aircraft. Services on domestic aircraft flying on foreign routes suit 59.3 percent of those polled, but the food at airports and on our aircraft does not suit 36.9 percent of those polled. And only 47.1 percent are satisfied with the food on foreign routes.

Some 67.1 percent do not agree that the cost of air tickets should be increased to improve the quality of service and the number of services. However, 38.3 percent think that it needs to be done.

Although 36.5 percent of those polled are annoyed by the convenience and design inside the aircraft, 50.8 percent have an opposite view.

The overwhelming majority of passengers would prefer to fly in Boeings, Concorde, and Scandinavian and French airliners; 35.2 percent are willing to fly in domestic aircraft if passenger conveniences are improved, and 5.7 percent consider it practical for our country to obtain aircraft manufactured in the West. On the other hand, 21.1 percent feel that we should fly only in domestic aircraft.

Most of those polled expressed interest in information on the working conditions and everyday lives of cockpit personnel (62.2 percent), flight attendants (68.4 percent), and ground service employees (70 percent). Taking into account the conditions in which our stewardesses are working, 41.9 percent of those polled believe that "Soviet stewardesses are the most courageous in the world."

Asked whether it is difficult to obtain an air ticket, 61.6 percent said it is very difficult, and 67.5 percent said they overpaid more than once to obtain tickets at ticket offices themselves or they sought the services of brokers.

Some 65.6 percent would like to obtain information on the ecological effects of airports on housing complexes, as well as on Moscow. Muscovites are especially concerned about aircraft noise. They suggest that this be handled as it is in Western countries, that flights be restricted at night from 2200 to 0700, for example, or that flights over the capital be prohibited altogether.

As we see, passengers' opinions about Aeroflot in most cases are not in its favor at present. What is seen as a solution? Of those polled, 53.8 percent feel that Aeroflot's crisis makes it necessary to have independent airlines. As the poll results show, many labor collectives have expressed their willingness to be separate from the Ministry of Civil Aviation.

What will the status of an airline provide? In the view of those polled, this will make it possible to independently resolve the problems of updating the fleet of airliners, improving the quality of passenger service, and raising the social status of civil aviation employees to a new level with the funds which now go to maintain the Ministry of Civil Aviation organization. In a word, it will provide the prerequisites to raise our civil aviation to the level of world standards.

## **RAIL SYSTEMS**

### **Railway Signals, Communications, Automation Plans, Projects Highlighted**

904H0272A Moscow GUDOK in Russian 25 Jul 90  
pp 1-2

[Interview with Signals, Communications and Computer Technology Main Administration Chief Gennadiy Fomich Lekuta by V. Gitkovich under the rubric "Topical Interview": "Tomorrow Is Being Built Today"]

[Text] *Everything new that appears in the signals and communications system makes the labor of other railroad workers easier or safer, and most often both easier and safer. But these innovations first add new concerns for the communications workers themselves.*

*But they seek more modern communications equipment, improve the automated equipment and raise the guarantees of train traffic safety all the same. Not everything goes well, of course, there are no few production and day-to-day problems, but we would like to turn away from the immediate and look a little bit ahead, to tomorrow.*

*I asked Signals, Communications and Computer Technology Main Administration Chief G.F. Lekuta to talk some about this.*

[Gitkovich] Gennadiy Fomich, computer, video and other equipment is moving rapidly into our lives. What new things await the rail workers in the next few years along the lines of automation, signals and communications?

[Lekuta] There will probably be many changes. But the main innovation—which concerns the organization of the whole shipping process and will make it possible to raise the throughput capacity of the line sections and the safety of train traffic—is the replacement of today's numerical-code locomotive signals with multiple-value signals with enhanced noise immunity.

Today's interlocking signal system has served for almost forty years and has virtually exhausted its technical capabilities. Today, as you know, we have five signal readings in the locomotive signal—green, yellow, red with yellow, red and white. The train crew can look ahead a maximum of two block-sections using them. Further would be better. The engineer will be able to drive the train with greater confidence and make better use of its speed capabilities, after all, knowing what is happening up ahead.

Most of our heavily traveled routes are two-tracked. And we cannot allocate a separate track for passenger trains. Various combinations are thus encountered almost continuously—passenger behind freight, freight behind express etc. It would be good to know what is on the horizon—in the third, fourth, fifth block section up ahead—under these conditions, both for safety and for the faster passage of the traffic.

This possibility will appear when we install an instrument with 32 signal readings on the locomotives—16 for the up direction and the same number for the down direction. This will make it possible not only to know the situation on five sections, but to obtain other important information as well.

A train is coming in on a side track, for example. Now we warn the crew of this using a yellow light on the locomotive signal. But the speed of the arrival could vary quite

a bit in this instance. The engineer will know what speed he is permitted and, consequently, will save valuable time with the new signals.

Or say there is a grade crossing ahead. The train sent a signal of its approach, but the crew does not know how it was reacted to at the crossing and in any case slows its progress. There is feedback in the new system that reports to the crew that the crossing is expecting it—the crossing gate has been closed and the sound and light signals have been activated. This means they can approach the crossing more boldly. Matters will be improved both in safety and in time saved therein.

We cannot, of course, consider all possible situations, but I think that the main principle and advantages of the innovation are already clear.

[Gitkovich] But these signals will probably make special demands of the track circuits, after all. Or will something new be used for its operation?

[Lekuta] No. The rail circuits will play an important role in signaling in the near future as before. They have three defects today—the insulated rail joints, the welded bonds and contaminated ballast.

The first weakness has been removed by using glued-bolt joints. If the rails are well fastened against creeping, this joint will serve between major overhauls. It is too bad that there are not enough rail anchors today.

The welded bonds can be replaced (as is being done in many places) with copper coupler plugs.

There is no discussion of the dirtiness of ballast in the West. We hope that we will come to haul all free-flowing freights in serviceable cars, or at least in whole containers, someday as well. We will not have to feed the rail circuits when the ballast does not get contaminated. They are needed, by the way, for additional monitoring of the integrity of the rails as well as for signals.

Track is now being tested that does not have a single joint from station to station (ABT interlocking signal system). It was created at the Leningrad Design Engineering Institute for Signals and Communications Equipment, and we are testing it in action on the Gatchina—Verovo section of the October Railroad and actually building it between the stations of Aseyevskaya and Chaadayevka on the Kuybyshev Railroad.

[Gitkovich] That means that the block section will also be the distance from station to station?

[Lekuta] No. Their length will remain as before. Short rail circuits at enhanced frequencies with a bridging zone of 10-12 meters will appear in place of light installations.

But all of this is in the future. In the near term, in the transitional period, the locomotives will have to have both today's and the multiple-value signals systems.

[Gitkovich] How realistic is this transition overall?

[Lekuta] Conversion will help us here. We have already been meeting with representatives of the corresponding enterprises; they are promising to do everything quickly. We have confidence in this.

[Gitkovich] Radio communications have solidly entered the technology of station operations. It is essentially the sole means of contact with the locomotive crew on the line. But there are also many complaints about radio communications on the railroads. What that is new awaits us here?

[Lekuta] We were glad at one time when we were able to equip the locomotives with shortwave radios and thereby make it possible for the engineers to maintain communications with each other and the supervisory apparatus of the traffic services. But we are not satisfied with that today. Messages are passed on virtually a single wavelength, after all, and everyone hears each other. It is very hard to hear what you need to hear out of this cacophony.

The new radios will operate in the broader ultra-shortwave band, which will make it possible, say, for the dispatcher to get in touch with the crew he needs at the moment. The mistaken perception of commands is virtually ruled out in this case.

But the new gear has one substantial drawback—it is considerably more expensive than the old. All of this will of course be recouped in the long run, but we need no fewer than 10,000 locomotive radio sets a year. And the ministry does not have that kind of money these days. The railroads should be brought in so that the pace of modernization is not missed.

[Gitkovich] New radio gear is needed, of course. And it would be very good if it appeared soon. But how can the complaints that are pouring in from all sides about the quality of telephone communications, much more widely used in transport, be avoided?

[Lekuta] There are several ways. The main one is to make communications digital—that is, pulse-coded combinations carrying a sound signal, rather than analog sound fluctuations, should be transmitted along the cable; it is then reproduced much more clearly at the end. But good communications cables are needed for this method.

The aerial network, it is true, has been about 55-percent replaced with cables here. But interference often arises when communications and automated signals are sent along the same lines. The new networks have been built with a regard for this over the last 5-8 years, it is true, but they make up just 7-10 percent of it.

[Gitkovich] Why not use satellite communications instead of cable? The sailors, after all, can determine the position of their vessels on the ocean very precisely using them today. Wouldn't it be simpler to tell where the train is located at the moment?

[Lekuta] It is necessary for us to know the mutual disposition of all trains on a section, not the position of a single train. But that is probably also possible. The practical realization of such a plan, however, is still quite far off.

Moreover, roughly 600 million rubles are needed here, and it is the railroads, as I have already said, that have the money today. Many of them are still unwilling to spend money for the development of the signals and communications system. They invested 20 million rubles less overall last year than the year before, and a reduction of another 30 million is expected this year. We equipped two and a half thousand kilometers a year with centralized dispatching and automated block signaling before, and now we will do less than a thousand; we used to interlock eight thousand switches a year, while this year we won't do four thousand. Our near-term future is the interlocking of traffic control, and that cannot be accomplished without dispatcher interlocking.

[Gitkovich] I know. GUDOK has already written about the operation of such a center in Donetsk. The picture is becoming clearer there on large loops, it is easier to set up interaction, forecast the possible appearance of difficulties and find a way to avoid them. And to pass the train traffic faster and with fewer expenditures overall. But it is very noisy in such a large center, it is hard to work, people get tired very quickly.

[Lekuta] The noise and chatter are from the poor conversational practices, the large amount of playing it safe and drawbacks in the organization of shipping. All of this can be eliminated. Today's center is just a beginning anyway, a prototype, if you will. We will have to make broader use of multiprocessor technology and increase the amount of device memory.

The dispatcher need not keep the schedule. This takes too much of a person's time and, most importantly, attention. The schedule is something for automation. It should tell the person not only what signals are on and what color they are, but also the number of the train that is halted at a stop signal and how far behind it is. What the length of any track is to this or that station. A person, making use of this and other data, will be able to make the correct decisions quickly. There will be less noise and more sense.

[Gitkovich] Judging from everything, matters are shaping up well overall with automation and radio and telephone communications.

[Lekuta] No, that conclusion would perhaps be too optimistic. We have been talking about tomorrow. But it is, after all—if I may express it figuratively—being built today. These foundations are being laid today. And even though we agreed at the beginning of the discussion not to mention today's misfortunes, it makes no sense to discuss the future without doing so.

[Gitkovich] I fear that we have no room for a long discussion of shortcomings.

[Lekuta] I will be brief. The primary concern is personnel. People are leaving the line. Some to become railway engineers, others for cooperatives. We are short almost six thousand people today. And that is not according to the standards, but according to the actual plan. We must raise the earnings of the line workers immediately, linking them with the rise in quality of instrument and equipment support.

[Gitkovich] Would it be worth converting people to leasing?

[Lekuta] That is being done. But only five line sections out of 450 have gone over to that method of pay as yet. The rapid conversion to new mutual relations is being held back by poor supply.

There are many other unresolved issues that are keeping us from working today and being concerned for tomorrow. But we will discuss that another time.

#### **Rail Collegium Examines Operational Safety Issues**

904H0219A Moscow ZHELEZNODOROZHNY  
TRANSPORT in Russian No 5, May 90 pp 2-5

[Report by G. I. Kozlov, deputy minister of railways, at expanded April session of ministry collegium: "In the MPS [Ministry of Railways] Collegium"]

[Text] An expanded session of the Ministry of Railways collegium was held at the beginning of April. Those taking part in the session included N. S. Konarev, minister of railways; V. A. Tetenov, chairman of the Transport, Communications, and Information Science Commission of the USSR Supreme Soviet; A. N. Bevzenko, deputy chairman of the USSR Gosplan; A. P. Bochkov, deputy chairman of the USSR Gosnab; K. V. Kulayev, head of the Transport and Communications Department of the USSR Council of Ministers; I. A. Shinkevich, chairman of the Central Committee of the Railroad Transport and Transport Construction Workers Union; managers of railroads and a number of divisions; people's deputies; and senior officials of a number of ministries and departments.

L. A. Voronin, first deputy chairman of the USSR Council of Ministers, addressed the session.

The report delivered by G. I. Kozlov, deputy minister of railways, reflected concern about the train traffic safety situation that has taken shape. There were 29 wrecks in the system in the first quarter of this year, which is 60 percent more than during the same period last year, and the number of accidents and defective items increased. The traffic safety situation is worst on the October, Kuybyshev, Transcaucasian, Alma-Ata, Azerbaijan, Central Asian, and Moscow Railroads. More than half of all the wrecks were here.

The rate of accidents involving passenger trains increased. And again the worst situation was on the

Transcaucasian, October, Azerbaijan, and Moscow Railroads. In this case, a wreck on the Transcaucasian Railroad led to passenger casualties, and when a passenger train collided with a freight train on the Azerbaijan Railroad, a locomotive brigade was killed; only by sheer luck, there were no passenger casualties. This was the first wreck with such serious consequences in the past year and a half.

In the system as a whole, the number of failures to observe inhibiting signals, fractures of wheel pair axle journals, uncoupled runaway cars at stations, and incidents in which freight broke loose, trains collided, and rolling stock derailed has increased. Each one of these cases ended with unforeseen consequences.

Considerable problems were created in railroad operations by the numerous cases of locomotive damage, the uncoupling from trains of railcars in poor repair, and the stopping of trains on open lines as the result of railroad technical facility failures. The threat to traffic safety because of failures to adhere to the rules for transporting categorized and dangerous freight is not declining.

It has been established that most of the wrecks, accidents, and failures in train and switching operations occur as the result of deliberate violations of the safety regulations in effect—in order to speed up the work, or because of deeply ingrained habit, and sometimes because of uncertainty about these rules. Along with these reasons, cases of unauthorized disconnection of safety devices that are in good working order which are intended to prevent human errors have been coming to light this year. Two serious wrecks involving failure to observe inhibiting signals and two wrecks resulting from the spontaneous release of trains backward on a grade occurred because of the criminal actions of certain locomotive engineers who short-circuited safety devices to cut them off.

Apparently this situation was caused by the additional workers recruited to move the trains. They have neither the necessary training nor work experience today: electric locomotive engineers, diesel engineer assistants, track repairmen, assistant stationmasters, and train makeup men. Moreover, the situation has been aggravated by the assumption of leadership by new commanders elected in conformity with the Law on the Socialist Enterprise; they have no experience in working with people, and often lack the knowledge needed. There were more than 2,000 such managers in transport by the beginning of this year.

It would seem that under these conditions the managers of railroads, services, and divisions and the units engaged in instruction and inspection should have devoted their main attention to training and educational work in the collectives and reinforced control locally over adherence to the PTE [technical operation rules]. However, this did not happen. The managers seldom visit the work places today. And this gives rise to irresponsibility in safety matters. As an example, it



reaches the point that the chief of the Lvov Railroad, in violation of established procedure, does not consider it necessary to go out to inspect the cars that have derailed from trains. Cases such as this may be cited for practically every railroad.

In this connection, the standards for personal participation by managers at all levels (from the chiefs of stations, depots, and subdivisions to the chief of a main administration and their deputies) in the work to reinforce discipline and provide for traffic safety, which were mentioned earlier, have been in effect since 1 April 1990. These standards are the quintessence of the PTE requirements and the official instructions, orders, and directives of the Ministry of Railways. They have been called upon to provide substantial assistance to young managers and to tighten up the discipline of experienced transport commanders. At the same time, cutting off safety devices that are in good working order is an extremely serious violation of discipline.

The disruption of plans for the introduction of new safety equipment assigned to railroads in accordance with a decree by the Government of the USSR should be regarded no less severely. However, the Baltic, October, Transcaucasian, Kuybyshev, West Kazakhstan, South Urals, and Krasnoyarsk Railroads did not fulfill the plan in 1989 to introduce safety instruments, including the construction and incorporation of the DISK-B, recorders for official conversations, and systems for radio communication between the engineer and train brigade leader.

The problems of bringing personnel up to strength and their placement and training are being handled extremely poorly today. The system lacks more than 800 assistant electric locomotive engineers, about 1,500 assistant diesel locomotive engineers, more than 3,500 locomotive repair mechanics, about 4,500 railcar inspectors, 1,200 train makeup men, 1,300 duty switchmen, more than 3,000 STsB [signalization, centralization, and blocking] repairmen, about 5,000 power supply electricians, and nearly 8,000 track repairmen. After the wreck at the Kamenskaya station, managers were charged with particular responsibility for bringing supervisory personnel for shifts, shops, and enterprises up to strength. However, there have been quite a few serious miscalculations and omissions in this work thus far. As an example, there has been no inspector for locomotive operations on the October Railroad for two years now, the Bologoye Subdivision of the line has been operating for a year and a half without a chief engineer, and the neighboring Sankovskaya [precise placename unlisted] Subdivision has not had a PCh [code for Railroad Division Line Enterprise] for three months and there has been no deputy PCh for operations for six months.

Line administrations have the worst record in the sector for traffic safety at present. Workers in these operations are at fault because the number of wrecks and accidents have nearly tripled this year and rolling stock are being derailed, including on open lines. This is complicating the operations situation. The situation on the lines is

being affected by shortcomings in material and technical support, of course, but to a large extent this situation is a direct result of serious cases of incomplete work by the railroads, services, and the Lines Main Administration. The indicators for line operations attest persuasively to all this. In 1989, the average rating number for line condition increased over 1988 from 164.3 to 171.1, but the total length of unsatisfactory track increased from 9,953 to 10,099 kilometers.

In order to consolidate personnel in line operations, the collegium adopted the decision to shift collectives to a brigade contract. However, even after an appropriate decree was issued by the USSR Council of Ministers, this very important decision remains unfulfilled because of the railroad and line service managers' failure to act. As an example, 133 line sections, or only 77 percent, of the 173 line sections on the Transcaucasian Railroad have been shifted to a brigade contract. But most importantly, even with the shift to a brigade contract here and a wage increase up to 350-400 rubles, the responsibility for safety and the condition of the line are not being improved. The number of unauthorized absences from work in 1989 increased by 2,300 in line operations, especially on the East Siberian, Southeastern, Volga, Kuybyshev, and Baltic Railroads and certain other lines.

Work on the development and manufacture of a high-speed track-measuring railcar has been drawn out without justification. It is absolutely clear today that 14 high-speed ultrasonic defectoscope railcars will not be turned out in the 1988-1990 period. The "Rels-6" ultrasonic defectoscopes have been taken out of production, and the UDSG-15 defectoscopes, which were to have replaced them, did not stand up to the tests.

Next **G. I. Kozlov** dwelled on a most important matter—safety at railroad crossings, where four times as many persons are killed and injured as in all the wrecks and accidents. The problem of traffic safety at crossings became particularly acute in 1989, when eight wrecks and accidents resulted from collisions with motor vehicles.

The most reliable way to provide for traffic safety in this situation is to speed up the construction of overpasses. However, the programs to build them are continuously disrupted, and few persons are showing initiative in resolving these problems with local organs. Out of 173 overpasses planned for construction in the 1986-1990 period, only 50 have been built. For some reason, more than 55 have been excluded from the title lists altogether. But even where the overpasses have already been built, such as near the Kropachevo station or the Vinnitsa station, they are not being put into use for three or four years.

The sector is investing more than 10 million rubles each year in the construction of automatic crossing devices. But the Krasnoyarsk, South Urals, and Kuybyshev Railroads are in no hurry to implement the government decision and the ministry's orders. The plans to build

automatic crossing devices and equip existing installations with an additional white light, and even monitoring devices for a duty attendant here and there, were not fulfilled here in 1989.

Certification of crossings should have been carried out in 1988 in accordance with a government decision. But even today, only 137 out of 360 crossings have been certified on the Southeastern Railroad, only 26 out of 627 have been certified on the Volga Railroad, and only 270 out of 790 have been certified on the Sverdlovsk Railroad. Incidentally, the certification showed that they have been maintained extremely poorly. As an example, there are 681 railroad crossings on the Central Asian Railroad within the Uzbek SSR and only 158 of them are being protected. For a number of years, commissions have determined that over 200 crossings here have not been providing for traffic safety, but no attention is being devoted to this important matter.

The increase in the number of train wrecks in locomotive operations is directly linked to the poor attention given by the managers of railroads, divisions, and locomotive services and depot chiefs to the maintenance and introduction of technical facilities for traffic safety. This is especially dangerous today, when there is widespread weakening of discipline and a decline in the level of locomotive brigades' technical knowledge. Very likely it is no coincidence that five of the seven wrecks and accidents this year took place either when safety instruments were turned off or not operating properly.

Failure to heed inhibiting signals led to four wrecks on the Transcaucasian Railroad last year, and two of them took place because safety devices were not in operation. And this year there was another wreck in the Yerevan Division because a train passed through a signal, and passengers were killed as a result. Today, 55 percent of the fleet on the Transcaucasian Railroad do not have devices to prevent rolling stock from rolling backward. At the same time, the plan for equipping with these devices was fulfilled by only 18 to 20 percent in 1989. Operation with disconnected safety devices is systematically permitted on the Azerbaijan Railroad. And up to 40 percent of the fleet of locomotives here do not have devices to prevent rolling backward. The plan to equip with these devices also was unfulfilled in 1989. It would be interesting to see what the managers of these railroads will do after 1 July, when rolling stock without these devices will be taken out of operation in accordance with the Ministry of Railways requirement.

On the October Railroad, in violation of ministry requirements, about 50 percent of the switching locomotives, which are operated by one engineer, still do not have second or removable control panels and 40 percent of the fleet do not have devices to prevent rolling backward. But worst of all, the locomotive service of this main line had no plans at all last year for the organization of traffic safety.

Cases of locomotive engineers deliberately turning off safety instruments have become more frequent lately. Trains ran through inhibiting signals when safety instruments were turned off on the Alma-Ata and Kuybyshev Railroads and other lines. The situation is reaching the point that the short circuits created by engineers in safety instruments put them out of commission completely. Cases such as this were revealed quite recently in the Omsk Division of the West Siberian Railroad. Sometimes the engineer goes to work thinking that the equipment will provide security, unaware that the safety instruments were disconnected by the brigade that turned over the locomotive. These are not isolated cases.

These essentially criminal actions are possible only when the speedometer tapes are not decoded. For this reason, the disconnection of safety instruments is not being monitored. But it is also apparent that no steps are being taken against the guilty persons when violations of this sort are revealed. Work by engineer-instructors and depot managers to increase the number of surprise checks has been lax as well. As a result, there have been 31 cases in which rolling stock passed through closed signals in just the three months of this year.

Wrecks and accidents caused by poor maintenance of locomotives' underframe and wheel pairs are reason for much concern. These accidents resulted from deterioration in the technical maintenance and repair of rolling stock and poor control over the quality of repair by depot managers and locomotive inspectors.

It is common knowledge that quite a few complications arise in the work because of damage to locomotives and train delays on open lines as the result of electric circuits being disrupted. This March alone, there were 25 to 30 cases of damage and stops each day in the system, especially on the Gorkiy, West Kazakhstan, Alma-Ata, Sverdlovsk, and Transbaykal Railroads. We should add to this that up to 700 locomotives come in each day for unplanned repairs.

The technical condition of motorized rolling stock, especially at the Moscow and Leningrad junctions, is creating concern. And although the Ministry of Railways collegium reviewed the state of affairs with respect to electric trains in the Moscow hub in January 1990 and adopted the necessary decisions, there is no real progress here at present.

Unfortunately, the management of the Locomotives Main Administration has not been able to provide traction rolling stock in the system with devices to prevent a train from rolling backward. As a result, the directive banning the release of locomotives for operation without these devices has not been carried out. At the main administration's initiative, the period for this ban was moved up to 1 July 1990, but the failure to provide railroads with L-168 units and the lack of reliable information on the number of locomotives to be equipped put the implementation of this order in doubt, generally speaking.

It was established in a check of locomotive depots that locomotives are often being operated with brake line failure sensors that have been stripped down. It turns out that no one in the Locomotives Main Administration is monitoring the way these sensors are maintained under operational conditions. For this reason, 85 electric locomotives of the VL80 series have not been equipped with these sensors on the Southeastern Railroad, although their modernization was completed two years ago.

The organization of safety instrument repair at locomotive repair plants is an example of flagrant irresponsibility. As long ago as 1987, it was planned to resolve all the technical, engineering, and organizational problems in repairing the equipment and circuits of the ALSN [expansion unknown] at the plants once and for all, but nothing has been done to date. Moreover, managers in the Locomotives Main Administration have allowed factory managers not to repair these devices at all.

The increase in the number of cases of trains arriving on tracks in use on the Transcaucasian Railroad and the six cases of receiving and dispatching trains on a route that is not ready, including twice on the Krasnoyarsk Railroad—all this indicates that not everything is going well with respect to traffic safety and reinforcement of production discipline in the transport administrations. This is confirmed by the fact that absenteeism in transport operations increased by more than 17 percent over 1988.

One would think that after the tragedy in Sverdlovsk and Alma-Ata the TRA [possibly: transport accident regulations] and local instructions would be revised in a timely manner. Not by any means—it was established this year that the necessary changes in documentation were not entered or were not entered in time or poorly at many stations when the devices to secure rolling stock were put into use. Moreover, the TRA of the Alma-Ata station, literally a few kilometers from the site of the worst accident, were not revised when the devices to secure railcars were introduced.

There is a careless attitude toward work with hazardous freight on certain railroads. As before, lengthy layovers of railcars with industrial VV [explosives] are often allowed at destination stations, the rules for protecting cars with explosives are often violated, and at times cars with categorized and other dangerous freight are released in gravity yards. No one has really learned anything from the last tragedies in railroad transport.

The number of railcars damaged on our tracks when they are released in gravity yards or in the process of switching is increasing each year. Often damaged cars with broken doors and sides are put into trains and transferred from railroad to railroad, paralyzing the throughput capacities of sections and creating a direct threat to the safety of train traffic. The largest number of such violations are permitted by employees of transport units in the Guryev, Yerevan, Makhachkala, and Kirov D:

Violations during switching operations sometimes are related to incorrect interpretation of commands over the radio, especially to stop switching before the arrival of trains. In this connection, it is advisable to speed up a solution for the problem of recording the conversations of dispatchers and engineers on tape and to strictly monitor adherence to the established routine. It is time to prohibit partial use of switching routes and to conduct switching operations only if it has been completely prepared.

The most critical problem in providing for traffic safety in transport operations is the organization of locomotive brigades' work. Last year the violations of locomotive brigades' work and rest routines increased by an average 35 percent in the system and overtime work beyond 12 hours increased by 77 percent. However, few of the managers of railroads, services and divisions drew important conclusions from this. As a result, the number of violations of locomotive brigades' work and rest routines continues to increase this year on the Moscow, Southern, South Urals, Krasnoyarsk, and Far Eastern Railroads this year as well.

The traffic safety situation in the signals and communications system has deteriorated sharply. Over the past six months the employees in this sector were at fault for three freight train wrecks and two collisions between locomotives and motor vehicles at crossings, which resulted in casualties. Trains were dispatched on an open line that was in use on three occasions on the Dnepr and Southeastern Railroads. There have been numerous failures of signalization, centralization and blocking equipment and the ground facilities for automatic locomotive signaling are not operating consistently.

The situation that has taken shape demonstrates that exactingness has declined in the main administration toward commanders of subordinate units in reinforcing labor and technological discipline, sufficient control is lacking over the quality of equipment turned out by plants of the "Soyuzzheldoravtomatizatsiya" NPO [Scientific Production Association] and the planning documents that are drafted, and the procedure for putting automated and remote control equipment in use is often violated. Because of oversimplification permitted on the railroads, STsB facilities are often operated in accordance with circuits that do not correspond to the standard planned solutions.

Traffic safety depends to a large extent on the reliable operation of STsB equipment, including electric track circuits. Today about 45 percent of the failures of track circuits are the result of malfunctions in the insulating joints, more than 20 percent result from failure of the rail bonds, and about 10 percent are caused by ballast contamination. More than five percent of all failures are caused by malfunctions of equipment, connectors, and cable for which signals and communications subdivision employees are at fault. More than 25,000 traffic signal arc-overs and 10,000 cases in which the principal facilities for automatic blocking are cut off in moving trains

are recorded each year. A good half of these violations are the result of poor track circuit maintenance.

On individual railroad sections, primarily the Transcaucasian and Azerbaijan Railroads, extended operation of automatic blocking facilities is permitted when one or two traffic signals are not operating. This dulls the vigilance of the locomotive brigades and has repeatedly resulted in trains going through inhibiting signals. How can such a situation be tolerated when the equipment meant to protect human lives is not in operation for an extend period?

The employees who make use of the STsB facilities to organize train traffic—the engineers, assistant stationmasters, and train dispatchers—should have confidence in the reliability of these facilities. For this reason, it is necessary to toughen the testing of STsB failures, considering each shift from the main signaling facilities and each arrival and departure of a train in accordance with acceptance signals to be a defect.

Serious miscalculations have been noted on a number of railroads in the work to encode the secondary tracks on which passenger trains arrive. The Baltic, Belorussian, and Kemerovo Railroads and a number of others have already completed this work, but the Transcaucasian, Southeastern, Volga, Kuybyshev, Alma-Ata, and Krasnoyarsk Railroads did not fulfill the plan for encoding secondary tracks in 1989. Haven't the managers of these railroads really learned anything from the bitter experience of Koristovka!

The poor quality of railcar preparation at technical maintenance points and inclusion in a train of rolling stock whose condition does not provide for a safe trip within guaranteed sections—these are the main shortcomings in the work of the railcar administrations. In the final analysis all this is shown when freight cars are uncoupled on the route of travel. In 1989, 6,320 railcars were uncoupled from freight trains for various technical malfunctions, including 1,910 cases because of a defect in the roller bearing unit and 2,135 because of journal box friction. Why is the installation of DISK [expansion unknown] instruments, which make it possible to detect poor maintenance of railcars at PTO [technical maintenance points] not given the proper attention? Year after year, the plans for manufacturing and installing these instruments every 25 or 30 kilometers are disrupted. At present, the average distance between instruments in the system is about 50 kilometers, but on lines such as the Volga, Donetsk, and Moldavian Railroads and certain others, the distance is more than 100 kilometers. For this reason, we cannot really count on the help of technical facilities under these conditions.

In this connection, the experience of railcar inspectors on the Donetsk and North Caucasus Railroads in detecting journal box malfunctions deserves general attention. The Dnepr Railroad has already developed a system for providing economic incentive to railcar workers for detecting assemblies that are not in good

working order. As a result, railcar inspectors identified 5,180 cases of brake beam defects, 3,105 roller bearing box defects, 1,698 automatic coupling pin fractures, 391 spring beam cracks, 228 truck frame cracks, and other defects in the second half of last year. The number of railcars uncoupled because of journal box friction was reduced by half as much here. However, neither the main administration nor other railroads are in a hurry to popularize this method.

About 2,000 units of rolling stock were uncoupled in the first quarter of this year—practically at last year's level. The total number of cars uncoupled on the South Urals, Gorkiy, West Siberian, Sverdlovsk, and Tselina Railroads each month comes up to 40 percent of the number of uncouplings in the system. All this is happening because of the lack of control by depot managers and railcar inspectors—after all, the most flagrant violations of procedure in repairing railcars have become the norm in depots today.

The quality of railcar overhauls at railcar repair plants has deteriorated sharply lately. In just three months this year, five wheel pair axle journals and five frames and spring beams were broken because of violations of the procedure for repairing wheel pair journal boxes and the cast trucks of freight cars, leading to rolling stock derailments and lengthy traffic delays. The worst conditions were at the Popasnaya, Kanash, and Roslavl VRZ [Railcar Repair Plants]. With all this, no steps have been taken to improve repair either at the plants or by the main administration. Passenger railcars are receiving the worst repair at the plants.

A check of the quality of the plants' output showed the lack of effective control by the main administration. The situation has reached the point where, because of flagrant violations of the manual for repairing a wheel pair journal box at the Tbilisi EVRZ [Electric Locomotive Repair Plant] and a generator drive at the Zhmerinka VRZ, sanctions had to be applied to these shops. However, things are not moving there, either. The investigations conducted by the plant chiefs are formal in nature, as a rule, the true causes are not brought to light, and specific conclusions are not drawn. This is the only thing that can explain why a commission under the chairmanship of an assistant to the minister at the Tselinograd plant on 1 March 1990 repeatedly returned all 11 railcars to the plant that were offered for inspection because of gross violations of procedure and defects which threaten traffic safety.

The inspection apparatus holds a large share of the responsibility for the deterioration in traffic safety. A number of managers on the railroads have lost their sense of principle and exactingness in their approach to assessments of the safety situation locally. And the role of railroad chief inspectors who have allowed themselves to be drawn into a game of "pushing over" the causes of wrecks and accidents to neighbors is totally improper.



There have been such cases on the Alma-Ata, Transbaykal and Kuybyshev Railroads and the BAM [Baykal-Amur Mainline].

At the same time, we cannot help but take into account the sharply increasing number of facilities to inspect, including for hazardous freight. But since this January, the inspectors also have had responsibility for inspecting the work of the Ministry of Railways motor pools. The role of the assistant chief of an enterprise for safety has been underrated thus far. Today this unit of safety management is 700 persons under strength. But after all, they are linked to the organization of technical training, the availability of a system in the work of any manager, and the active nature of public inspection.

The transfer of locomotive and railcar inspectors to the authority of the URB [expansion unknown] when there are line and chief inspectors available in the services and main administrations breaks the chain of management of this contingent and contributes to its "neglect." A good half of the railroads support the return of this personnel to the depots. It is obvious that this is the only way to reinforce the management of this contingent.

The correctness of the step to introduce the position of division and railroad inspector for hazardous freight was reaffirmed in the schools which they have just gone through on the Donmetsk and West Siberian Railroads. However, because the position of hazardous freight inspector is lacking in the central apparatus, all his duties have been a heavy burden carried by the transport inspectors, which objectively weakens control over these operations.

A system of safety management with the introduction of a duty staff is being established in the central apparatus and on the railroads at present. The management of renovation work has been improved in the ministry and on the railroads first of all, and certain other problems are being resolved successfully. However, a number of railroad chiefs consider this work unnecessary. As an example, this staff has been abolished since April on the Moscow Railroad. Why such haste?

The position of railroad deputy chief - chief inspector was renamed recently to railroad chief inspector for traffic safety, which deprived him of his right to independently decide matters involving application of the Discipline Regulations and reduced his responsibility to a certain extent. Now an inspector is not given the administrative right to impose a fine for violating Safety Rules. So there is an inspector, but he has no rights. It is doubtful that all this has a positive effect on safety, but we must make a firm decision—either to manage safety on the line with the appropriate rights or control adherence to the safety rules.

This is a question of principle. Is it possible that the managers of some railroads are correct, and in rejecting the establishment of a safety management system, we have to return to a less labor-intensive system of a safety inspection staff in the ministry and on railroads,

restricting the inspector's functions to technical operating rules and orders? But in this case the collegium should adopt a coordinating decision.

In conclusion, **G. I. Kozlov** stated that at the initiative of the Traffic Safety Main Administration and with its participation, a charter was registered on 21 March 1990 for a new public organization, the "Railroad Safety Fund Association" (AFZhB), the principal task of which is to improve traffic safety in rail transport, protect the vocational and social rights of railroad workers, and generalize and disseminate advanced experience in traffic safety. The basic directions for the AFZhB's activity are to speed up the solution of scientific, technical, legal and other problems in the traffic safety field; to raise the professional level and creative activity of railroad and metro employees; to provide legal and financial assistance; and to reward pacemakers and initiators with the association's bonuses. Individual transport employees and collectives that recognize the charter and decisions of the governing board and take part in the association's work may be AFZhB members.

The fund's assets are raised through the incomes from activity by creative collectives and individuals, revenues from measures carried out by the association, and voluntary payments from organizations, enterprises, and individual citizens.

Current account 345017 in the "Dialogbank" Commercial Bank in the city of Moscow, correspondent account 161625 in the MGU [expansion unknown] of the Gosbank, MFO 201791, foreign currency account 670832571 in the USSR Vneshekonombank [Bank for Foreign Economic Activity].

In addition to safety matters, the expanded collegium session also discussed problems in fulfilling the transportation plan in the first quarter of this year. A report by **V. G. Strelnikov**, chief of the Ryazan Division of the Moscow Railroad, Hero of Socialist Labor, and doctor of technical sciences, on the introduction of scientific achievements and advanced technologies was received with considerable interest.

The collegium stressed the importance of wide dissemination of the Ryazan Division's experience and the advanced technologies for the entire Ministry of Railways system. The collegium heard explanations from railroad chiefs who permitted the transportation plan to lag behind and regulatory discipline to be violated. The collegium outlined a combination of measures aimed at improving the quality and efficiency of railroad transport work and providing for traffic safety.

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### **Rail Modernization Program Detailed**

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[Article by A. I. Shchelokov, chief engineer, Moscow Railroad Transport Service; and I. N. Shapkin, candidate of technical sciences: "Intensive Technologies for Transport"]

[Text] In the comprehensive program for fundamental modernization of railroad transport which is being developed, importance is attached to the development and introduction of highly efficient intensive technologies in the transport process which make it possible to increase the throughput capacities on routes and provide for reliable, highly productive operation by locomotives and railcars in the railroad system. Intensive technology makes it possible to systematically increase the transport capacity on individual routes and in entire directions by increasing the number of integrated directions using trains of increased weight and length and coupled trains, increasing the static weight of railcars, and improving the dispatch management of train traffic. It is also extremely important to substantially reduce railcar layovers and speed up their turnaround, to increase train speed en route, to increase locomotive and railcar productivity and reliability, and to substantially raise the rate of increase in labor productivity and the overall efficiency of basic production processes, while fully providing for traffic safety. Intensive technology provides for the fullest utilization of technical facilities and transport organization, including advanced industrial techniques and methods and an entire set of effective regulatory measures.

As an example, the high level at which throughput capacities are filled in the crucial directions on the Moscow Railroad has led to the need to implement reconstructive measures for their development. Traffic has increased by nearly 40 percent on the railroad as a whole, and we have had to look for effective new solutions for this reason. Analysis of schedule disruptions according to reporting data shows the basic reasons for freight trains' late arrivals: 12 percent of the delays resulted from late acceptance by stations of a subunit; 22 percent because of train delays before junction stations of neighboring divisions and 17 percent because of delays before junction stations of neighboring railroads; 8 percent of the delays (except train delays at junction stations) are caused by the transport service, 12 percent by the locomotives administration, 7 percent by the railcars administration, and 9 percent by the lines administration; 6 percent of the delays are caused by the passage of express trains; and 7 percent of the delays are attributable to other reasons (delays caused by the STsB [signalization, centralization and blocking] and communications services, electrification and power engineering sectors, and construction organizations).

The new intensive technology for the transport process which was developed on the railroad provides for traffic organization with trains of increased weight and length, making the fullest use of locomotive capacity and intensifying the utilization of line facilities and equipment, signals, communications, and power supply. Special routes have been specified in the traffic schedule and where necessary they have been laid out for trains with long consists during periods of the day when passenger trains cannot pass them. It has been taken into account at the same time that there is a large amount of suburban and passenger traffic on the railroad and its lack of uniformity over periods of the day is pronounced, especially in the sections adjacent to Moscow.

In the first stage, 46 special routes were laid out in the traffic schedule for trains with increased weight and length. This made it possible to reduce the overall amount of traffic by 27 trains and to release 22 locomotive brigades and the number of locomotives issued by a factor of 7.5. In calculating the number of trains of increased weight and length and specifying the permanent routes on the schedule to move them, the length of arrival-departure and sorting tracks in the handling section and its contour, the arrangement of the automatic blocking light signals, the working conditions of the locomotive brigades, the passenger and suburban traffic by periods of the day, the presence of warnings and a plan to abolish them were taken into consideration.

Later on, new decisions had to be adopted in extending the special-purpose track. For example, on the single-track sections, the routes for trains of increased weight and length were laid out so that they can pass without stopping through intermediate stations which have arrival-departure tracks which are shorter than the length required to handle trains.

On double-track sections, special routes are laid out for the regulated movement of trains of increased weight and length when they are not scheduled at the same time and passenger trains can pass at stations with tracks of the appropriate length. In a number of directions with a large number of passenger and suburban trains, open passenger routes are used for the passage of freight consists of increased weight and length. This makes it possible to efficiently utilize the throughput capacities of sections and provide for freight traffic uniformity, which is very important for steady operations at junctions.

A basic feature of the technology used is that the trains are made up and passed through under conditions in which the length of station tracks corresponds to the length of the train only at terminal classification yards, and trains are passed through a section without stopping from one junction station to another. This method of organizing traffic on the Moscow Railroad makes it possible to manage the increasing transport volume on freight-intensive routes by intensifying the use of technical facilities, that is, with the same fleet of locomotives and locomotive brigades.

In order to provide for the steady movement of trains of increased weight and length, a combination of organizational measures based on well-thought-out engineering studies has been implemented. They involve the reinforcement of rolling stock technical maintenance points and improvement of power supply facilities, the economic incentive system, and personnel training.

In accordance with the conditions for making up and receiving trains on the Moscow Railroad, their maximum weight and length for one of the sections, let us say, has been set at 10,000 tons and 520 axles. Such trains have been put into use with the placement of VL10 electric locomotives in front and at the rear, with radio control of cranes by the engineer on No 394 and radio-controlled backup of the warning device for a break in the brake line on No 418.

One of the basic principles in organizing trains of increased weight and length in accordance with intensive technology is their steady admission to junctions. The interval between such trains depends on the technological norms for their handling in the arrival and departure yards. Experience shows that there should be as many routes as possible which long-consist trains can use in order to speed up the railcar flows on the traffic schedule. In this case, they can be dispatched when they are ready, which makes it possible to significantly reduce the layovers of consists waiting for departure.

Implementation of the schedule depends to a large extent on its coordination with the station operating procedure and coordination of the schedules for trains of different categories, which inevitably leads to adjustment of the schedule in a number of cases. For this reason, in the freight-intensive directions, especially in the suburban areas of Moscow, they seek to put trains with the same speeds on the schedule. The new technology for moving trains of increased weight and length has had a substantial effect on the schedule indicators. Reducing the frequency of freight trains on the most freight-intensive sections has improved the concept of "windows" for repair and construction operations, it has increased the average and section speeds of the traffic, it has reduced the idle time of trains that are ready because of failure to receive them, and it has improved the working conditions of locomotive brigades. The profitability of the railroad's work as a whole has been increased. Moreover, additional receipts from transport totaled 66.7 million rubles per year. The overall economic gain on the railroad from putting heavier and longer trains into circulation was 42.7 million rubles per year in accordance with adjusted expenditures.

The introduction of intensive technologies in the transport process requires that the best possible correlation of parameters be determined. Thus, in order to ensure the steady flow of railcars in the railroad system, the actual section speed should be as close as possible to that stipulated by the schedule, as a derivative of the advanced technological solutions in organizing train traffic. The reliability of the locomotives, the tracks, and

other technical facilities and the actual amount of traffic have an effect on it. The actual number of trains using the sector is usually less than the maximum amount of traffic provided for by the schedule. Calculations based on modeling made in a number of directions have made it possible to determine the dependence of train traffic speed on the quality of the stations' work. These data demonstrate the possibility of obtaining quantitative relationships which reflect the effect of different factors on sector speed. In the final analysis, this makes it possible to determine the extent of the change in sections' "saturation" with trains.

The dependence of section speed on the saturation of routes with railcars is confirmed by railroad operations in practice. Thus, for a number of directions on the Moscow Railroad, the functional relationship between speed and the railcars in operation in a direction has been determined on the basis of an analysis of reporting data. As a result, a close correlation has been established between these two parameters. At the same time, with an increase in the fleet of railcars above the norm, compared with the technical plan, the actual section speed is reduced by 0.3 to 0.6 kilometers per hour. Oversaturation of the railroad with railcars also has a negative effect on the speed of unit train railcar flows, which is also reduced by 0.15 to 0.5 kilometers per hour, according to calculations.

So one of the main conditions for increasing the speed of train flows on the railroad is a reduction in the number of surplus railcars. Excessive saturation of sections with trains makes it difficult for them to move and in the final analysis, it leads to "abandoned trains," which has a critical effect on the reduction of sections' throughput capacity, first of all, since it reduces the number of tracks at intermediate stations for trains to cross and pass. For this reason, one of the most important tasks of intensive technology is to ensure the timely movement of trains by sections and to rule out the possibility of trains being left without locomotives at intermediate stations.

In addition, analysis of disruptions of the train traffic schedule, as well as other difficulties in the work of the railroad and its directions, shows that they often are created by disparity between the volume of transport and freight operations or the amount of train traffic and stations' capacity for track development. This is particularly critical when there are sharp seasonal fluctuations in railcar flows and even a short-term increase in the amount of train traffic.

The opportunities for implementing the transport plan are characterized not only the railroads' throughput capacity, but by the track development of stations and sections. When the number of cars accumulated at stations exceeds the level for efficient use of all tracks, delays develop in the movement of train and railcar flows. The general principle for determining the rational correlation between track development and the size of the railcar fleet is to ensure the assigned level of reliability for the unimpeded arrival of trains at stations,

their dispatch on sections, the fulfillment of freight and passenger operations, and train movement by sections without stops, except for trains to pass and cross.

Analysis has made it possible to determine the correlation between section speed and section capacity and to handle different amounts of traffic more successfully, as well as to evaluate the role they can play in making up heavy and long-consist trains, and in fully utilizing locomotives' capacity, that is, in determining the regulatory measures to provide for efficient fulfillment of the transport plan in the final analysis.

Calculations demonstrate that the greater a section's throughput capacity, the greater the gain from increasing section speed, which makes it possible to reduce the capacity required for the section's track development. At the same time, this sharply reduces the need for railcars to handle the same transport volume.

Moreover, classification yards have sufficient reserve for a further increase in transport operations, since there is no direct relationship between their utilized capacity and the size of the railcar flow. Thus, it is not the capacity of classification yard tracks, but their number, which will limit transport volume in the near future. Analysis of the correlation between the parameters of section speed and the capacity of arrival-departure tracks and sections in the intensive technology of the transport process has made it possible to draw the following conclusions. The capacity of sections and stations, throughput and processing capability, the conditions for traction support, and the level of trains' fulfillment of section speed and other parameters in their use have a definite relationship. Increasing the level of trains' section speed creates certain reserves in the sections' capacity. Introducing advanced technological processes at stations makes it possible to reduce the time for processing consists and creates reserves for their track development. And finally, increasing section speed in adjacent sections requires that the number of tracks in arrival-departure areas of classification yards and section stations be increased, and this can reduce the time for processing consists in these areas.

The system for organizing traction support also has an effect on the capacity needed for sections and stations. Extending the sections for turning locomotives leads to a reduction in the number of section stations, and consequently, a reduction in the required number of tracks in the arrival-departure yards of these stations. The need for arrival-departure tracks declines particularly sharply when locomotive runs are increased, since there is no longer a need to change locomotives and brigades and process transit trains at a number of section stations.

Thus, after extending the maneuvering sections, a reserve capacity is created in the arrival-departure yards of stations which can be used when sorting work in a direction is redistributed. This will make it possible to sharply reduce the repetitive processing of cars when trains are made up and reformed, which very often

results in a shortage of tracks in station classification yards. At the same time, the overall volume of sorting work performed by all stations in a direction may be efficiently redistributed, which also will improve the quality of sorting work and reduce the ratio of repeated railcar sorting.

Analysis of the relationship between sections' capacity and the length of locomotive runs shows that the level of section speed has an effect on the number of arrival-departure tracks needed at large stations and other factors. So if the capacity of sections is reduced when section speed is increased, the number of arrival-departure yards needed increases somewhat. This is precisely what explains cases of trains reducing speed in sections adjoining the stations in charge which are not coping with the volume of work because of insufficient track development or an increase in the period of time to process consists.

Increasing section speed for train traffic requires that processing of consists at technical stations be speeded up or their track development be increased. For this reason, when more powerful and advanced locomotives are introduced, reserves are created for the track development of the stations in charge as well as the capacity of sections throughout a direction. Introduction of intensive technology should be interrelated with the identification and utilization of these reserves. Calculations and railroads' work experience show that increasing the section speed for train traffic increases the reserve capacity of sections to an equal extent. On the other hand, this will require a reduction of the time to process consists at stations by introducing modern technologies, modernizing rolling stock, mechanizing and automating station processes, and introducing ASU [automated control systems].

Thus, the reduction of requirements for track development in the arrival-departure yards of technical stations is directly proportionate to the average increase in length of locomotive runs. On the Moscow Railroad, reduction of the specific requirement for locomotives, and consequently, for a line run by locomotives, releases six powerful electric locomotives with a total value of 1.3 million rubles every day. These locomotives are being used to handle the growing transport operations. Locomotive brigades are also being released with the same transport volume, and as a result, the labor productivity of the workers in freight traffic is increasing.

First of all, intensive technology makes higher demands on the day-to-day planning of train and freight operations, which should be aimed at providing for efficient interaction among divisions, dispatch sections, control stations, and other enterprises to ensure that railcar flows are unimpeded in their directions; that traffic of the necessary amount is handled; and that norms for the transfer of railcars at division and railroad junction points are fulfilled. It should be aimed at steady work to transfer and transport local freight; the unloading, movement, and delivery of empty railcars; and fulfillment of



the state order for shipment in accordance with the entire products list. There should also be efficient distribution of freight handling resources between the divisions and major freight handling points, taking into account the creation of a reserve for the railroad and the delivery of empty cars to junction interchanges between railroads in conformity with the norms of the technical plan and assignments. There should be timely distribution of locomotives and regulation of locomotive brigades' work by railroad divisions in conformity with the amount of traffic being planned, and the indicators for rolling stock use should be fulfilled.

Under current conditions with the extended locomotive runs, planning of train operations by the shift or the day is often required; based on the prediction of locomotive readiness, provision could be made for the optimum number of locomotives at stations during their shift and the timely adoption of regulatory measures. Experience shows that predicting when the accumulation of consists will end for periods of four to six hours facilitates the throughput of heavier and longer trains on the Moscow Railroad. The train dispatcher can make up a plan for train operations in advance in his section and coordinate it with dispatchers elsewhere. Naturally, by having different alternatives for train movement, the railroad's dispatch staff can provide for the best possible movement of trains not only by individual sections, but in the direction as a whole from the station where they are made up to the point where they are reformed, with a minimum number of stops and in conformity with the overall plan for bringing in trains on the tracks of arrival yards.

Accurate planning of train movement in a direction beforehand is necessary for them to be brought in a coordinated manner to the major junctions which have difficulty in handling the railcar flows. Current planning depends primarily on the completeness and reliability of the initial data. Accurate information makes it possible to shorten the interval between trains which is needed to register the numbers of cars when they arrive at the station.

Introduction of intensive technologies in the transport process on the Moscow Railroad predetermines the shift from widely used work methods and recording of the course of technological processes (with a certain lag behind them) to a strategy of anticipatory management—detailed forecasting of train operations (beginning with the arrival and release of trains) and possible problems and irregularities in order to adopt the regulatory measures needed in advance.

This applies first of all to the organization of smooth train flows in the most important directions based on thorough analysis of the structure of the railroad's special-purpose track and the nature of work by its individual elements. This should provide for overall control of train traffic on routes where railcar flows are formed and cleared rather completely.

It is obvious that forecasting and not allowing problems in train operations, redistribution of train flows on branch tracks, modeling of train traffic, and information support for planning and management of train operations are inconceivable without computers and automated control systems. The plan for forming consists is determined on the basis of a forecast of train arrivals and the accumulation of consists or only on the basis of a forecast in conformity with the makeup plan. The opportunity to provide consists with locomotives and locomotive brigades in a timely manner and the availability of free "routes" in the traffic schedule are verified. The length of time for departing consists to wait, the number of routes on the schedule not utilized by trains and the downtime of locomotives and locomotive brigades waiting for a consist are determined as a result of the verification. For example, based on trains' arrival at a station and the breakdown of their consists by the directions of their cars in conformity with the makeup plan in a given 3-hour period, 12 consists will be made up, but only 10 locomotives, 11 locomotive brigades, and schedule routes for 9 consists will be provided. In operating without changes in the makeup plan, there will be layovers by consists waiting for locomotives and trains waiting to depart.

For most of the railroad system, considerable lack of uniformity intrain and freight operations within the course of a day or month is typical, and in certain periods, the volume of work comes close to the planned capacities of control facilities. For this reason, the specific situation on a special-purpose track for planning in a technologically limited time under conditions of numerous restrictions can only be considered in a dialogue relationship between man and machine. Problems in intensifying train operations at stations and in sections and directions have been examined in detail in the journal (see ZHELEZNODOROZHNYI TRANSPORT Nos 1 and 2, 1989).

Automation of the control of operations work in sections and directions should bring considerable reserves to light. The automated system for day-to-day control of train traffic and freight operations under intensive conditions incorporates a more improved system of daily-shift and current planning of train operations. On the Moscow Railroad, the "Dorozhnyy dispatcher" [Railroad Dispatcher] system is being developed by the MIIT [Moscow Institute of Railroad Transport Engineers] for one of the burdened directions (Moscow-Sortirovochnaya Kievskaya - Khutor Mikhaylovskiy); it will enable dispatcher personnel to have anticipatory control over train operations in the sections and at the stations in a given direction on the railroad. It provides calculations and issues the three most important groups of forecasting indicators every three hours and for 24 hours ahead: the approach of trains (including through trains and their makeup) to each selected technical station from all directions; the readiness of consists to depart from technical stations in adjacent directions;

and the readiness of locomotives to take consists out in each direction by each type of locomotive and its operating section.

The "Dorozhnyy dispatcher" system will enable the railroad's dispatch organization to have a continuous influence on the timely movement of consists from divisions, and it will enable the dispatch organization of the Ministry of Railways Transport Main Administration to monitor their timely movement from international junction points. The higher levels of management should continuously monitor the train situation on the railroad, on the special-purpose track, or in the longest direction and issue operational assignments for the dispatch of locomotives in a timely manner. Based on regulatory measures, the system will provide for the best possible movement of trains toward the junction points in conformity with their track development, inasmuch as the preferred acceptance of trains from one direction leads only to problems in taking them out, since the lack of station tracks to receive trains in one direction does not make it possible to bring locomotives to the station to take out trains in the opposite direction. It is important to have the best possible supply of reserve locomotives at technical stations to take out trains during periods of dense arrival traffic.

All this will raise the level of organization in shift-day and current planning of train operations, since the approach by trains to junction points and the points for replacement of locomotives and brigades will be forecast in advance; this will make it possible to reduce the delays of trains waiting for locomotives at stations to a minimum and improve the stations' work as a whole.

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### **Automated Dispatching Center Procedures Proposed**

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TRANSPORT in Russian No 5, May 90 pp 37-40

[Article by V. B. Shafirkin, candidate of technological sciences; T. A. Gromova, candidate of technical sciences; and S. A. Dyachuk, engineer: "The ADTsU [Automated Dispatch Center]: The Technological Bases for Providing Railroads with Loading Resources"]

[Text] In the process of its development, the Ministry of Railways Automated Dispatch Center (ADTsU MPS) is to shift from the reference information mode of contact between the inspection staff and computer facilities to interaction with the computer in developing regulatory measures for the management of freight and train operations. Provision for railroads' loading resources, including the development of technical norms for operations work, effective regulation, shift and daily planning, and execution of dispatch functions to implement the plans and targets that have been set to move the railcar fleet in

mainline directions and transfer empty cars from one railroad to another, have an important role in performing these tasks.

It is well known that the following technology is utilized in the process of providing for railroads' loading resources at present. "Regulatory gaps" and the extent to which empty railcars are transferred to international junction points, taking into account the relocation of the railcar fleet, their placement in reserve and the withdrawal of cars from it, and the elimination of surpluses or shortages in the fleet of local cars, have been established by technical norms. Within the framework of current (three to five days) and shift and daily planning, the transfer of empty cars is made more precise by evaluating the situation taking shape in the railroad system. As a rule, the situation is assessed on the basis of actual data for the preceding period and the beginning of the reporting days, and regulatory measures are aimed at eliminating the liabilities assumed in loading, unloading, delivery from unloading, and so forth.

Let us examine the technological bases and rules for carrying out the task on the basis of modeling the distribution of empty cars throughout the railroad system by using the so-called dialogue procedure for the Chief Railcar Distributor of the Ministry of Railways to interact with the computer. There are traditional lines of travel for empty consists in the railroad system which have not been changed for a long period of time. As a rule, this limits the opportunity for expeditious redistribution of railcar flows over the directions of travel and leads to a situation in which regulatory measures are worked out and implemented only through expertise, based on the experience and intuition of dispatch personnel without the use of computer hardware.

Alternative calculations for these measures will be made with the aid of the dispatcher's automated workstation (ARM), which consists of a terminal connected to the ADTsU MPS display and a personal computer. It will enable the dispatcher, and the Ministry of Railways Chief Railcar Distributor first of all, to calculate the lines of travel for empty unit trains and to select the most expedient solution in a specific train situation. Use of the personal computer enables the dispatcher to perform different tasks, including optimizing tasks, independently at a time convenient for him, and without moving away from his workstation.

Calculation of the plan for transferring empty gondolas between railroads in the system (specification at the level of divisions and stations is possible later on) is made up of four sections. There is an assessment of the effect of changes in fulfillment of the freight loading and unloading plans on calculation of the transfer of empty gondolas, the formulation of the best possible plan for transferring empty gondolas through junction points when the reserves in the fleet of empty cars are redistributed among the railroads, the reduction of the imbalance of "regulatory gaps" formed by railroads in the system to values established by technical norms, and calculation of

the deviations from these norms in the plan for transferring empty gondolas. All the sections except the last one represent the solution of optimizing tasks, whose basic function is to minimize the runs by empty gondolas in the railroad system.

The results of the calculations are depicted graphically; the large number of railroads in the system form the peaks of the graph and the topological connections between railroads, with designation of the corresponding international junction points, form the arcs. The values for the transfer of empty gondolas through junction points and the values of the "regulatory gaps" for each railroad are depicted numerically. In addition, explanatory tables which reflect the loading and unloading of gondolas, data on their reserves, and the "regulatory gaps" for railroads in the system may be provided. At the end of each graphic representation two totals are given for each computation: the total number of empty cars in the system in thousands of railcar-kilometers and the total number transferred in the system.

Let us examine in more detail the opportunities, results, and technological rules which show the user the use of each of the sections to calculate the plan for transferring empty gondolas.

**The effect of changes in fulfillment of the freight loading and unloading plans on calculation of the transfer of empty gondolas.** A change in the current plan for both loading and unloading in relation to the normative target involves a change in the composition of the fleet of empty cars on the railroads and consequently, a change in the transfer of these cars through the junction points. First of all, the nonfulfillment of loading and unloading norms has an effect on the magnitude of the "regulatory gap," and as a rule, its change is not limited just to the railroad which permitted the failure to fulfill the loading or unloading plan, but it has an effect on the provision of empty cars for a number of neighboring railroads.

Experience shows that an experienced dispatcher or manager at the system level can redistribute empty rolling stock which fluctuates in volume from several dozen cars (on a railroad) to several hundred (in the system) quite adequately. But when this volume reaches many hundreds, and even thousands, of cars it becomes impossible to check all the alternatives for supplying empty cars to the lines that need them or removing excess cars from them and to select the best possible alternative.

The technological feature of a case in which the norm for the amount of loading on a railroad is not fulfilled (that is, the loading plan is less than the assigned loading norm) is that the entire fleet of empty cars which was necessary for a given amount of loading and now is becoming surplus is being redistributed equally among all railroads in the system and the additional surplus is put in reserve. The personal computer computes and prints out the magnitude of both the additional reserve

and the overall reserve of empty cars that was formed by each railroad and the system as a whole.

When the norm for unloading cars is not fulfilled, the railroad begins to experience the need to supplement the fleet with empty cars by taking them from other lines. Then the needed number of cars are distributed among railroads in proportion to the withdrawal of gondolas from the reserve that has been authorized for them. The personal computer computes and prints out the number of empty cars which must be withdrawn from the reserve of the appropriate railroads. In addition, in taking into account the new reserve of empty cars that has been formed, the computer automatically recounts the "regulatory gaps" for each railroad and specifies the new norm for the transfer of empty cars through junction points more precisely. All these magnitudes, including deviation from technical norms in the transfer of cars through the junction points, can be printed out by the personal computer at the user's discretion.

The graphic depiction, which reflects the values of "regulatory gaps" by railroads and the number of empty cars transferred through junction points, computed by taking into account the planned loading and unloading tasks, is the principal result of the calculation. The results of an analysis of the graphic depiction show how it is necessary to redistribute the fleet of empty cars in the system in order to meet the requirement for additional cars or to remove the excess cars in the best possible way with the least number of empty runs. This is taking into account possible corrections made by the user and becomes the basis for issuing current planned regulatory targets to dispatchers in the railroad system.

Let us take as an example the case of unloading being reduced by 4,000 cars on the Kemerovo Railroad, let us say. At that time the total number of cars from other railroads designated to supplement the fleet of empty cars on the Kemerovo Railroad had increased to this amount. Calculation will show that the October, Northern, Southwestern, Dnepr, North Caucasus and Sverdlovsk Railroads are the lines which should provide for the transfer of the cars needed to the Kemerovo Railroad under the initial conditions cited.

But what is the most efficient way to transfer these cars to the Kemerovo Railroad? It is quite obvious that the transit transfer of cars separately from each railroad will lead to empty runs by a large number of cars. There are quite a few alternatives involved with the redistribution of fleets of cars among the railroads when there are six sources for additional empty cars, and selection of the best one is extremely difficult.

Analysis of the plan for transferring empty cars made on the personal computer, taking into account the requirement to minimize the total number of cars traveling empty in the system, shows that additional empty cars are brought to the Kemerovo Railroad practically not from the railroads cited, but by "turning around" the delivery of empty gondolas from the Southern and

Southeastern Railroads. To a lesser extent, empty cars are redistributed to the Alma-Ata Railroad. The loss of empty cars on these railroads is compensated through the railroads cited earlier. Thus a significant number of railcar-kilometers in empty runs are saved.

**Calculation of the best possible plan for transferring empty gondolas through junction points when the reserves of the fleet of empty cars are redistributed among railroads.** The task of redistributing the reserves of empty gondolas among the railroads arises quite often for operations personnel of the ADTsU MPS. The problem can be very complicated even for two railroads (if they are not adjacent), because it requires that a very large amount of information be taken into account. Moreover, the empty cars may be redistributed among three or more railroads at the same time, which in itself complicates the task considerably.

As an example, calculations were made of the redistribution of gondola reserves between the Kemerovo Railroad and each of the other 31 railroads in the system. The solution was found with the personal computer, taking into account the requirement for a minimum number of empty runs in the system. In order to change the initial conditions on the Kemerovo Railroad, an additional 100 empty cars were designated for placement in the reserve at the same time another railroad was assigned to withdraw 100 empty cars from the reserve. The objective in solving the problem was to obtain the best possible plan for transferring these 100 cars among the railroads cited.

Analysis of all the alternatives showed that the best solution can be obtained by three fundamentally different methods. At the same time, all of the special-purpose track in the system is divided into four groups. **The first group** includes lines such as the Northern, Gorkiy, Sverdlovsk, South Urals, and West Siberian Railroads. Cars are transferred from them to the Kemerovo Railroad in a rectilinear pattern without substantial change in the number of cars being transferred through the junction points of the railroads they pass through. For example, the Gorkiy Railroad turns over 100 empty cars withdrawn from its reserve to the Sverdlovsk Railroad, and then 100 cars each are transferred to the South Urals, West Siberian and Kemerovo Railroads as well. There are no substantial changes in the number of cars accepted and turned over by the railroads.

**The second group** includes lines such as the Krasnoyarsk and East Siberian railroads. In this case, the transfer of cars from one of these railroads to the Kemerovo Railroad means that the latter simply does not allow 100 cars which are in transit to these lines to pass through it (or, in general, it may not turn over its own cars intended for these railroads).

**The third group** includes railroads whose cars undergo substantial changes when they are transferred through junction points resulting from the need to reduce the

railcar-kilometers of the empty runs. The Moldavian, Odessa, Southern, Southwestern, Dnepr, Lvov, Azerbaijan, Transcaucasian, and North Caucasus Railroads are among such lines.

The presence on the route of travel of cars from a line which is "turning around" its own flow of empty cars is a basic feature of this group. In our case the Southeastern Railroad is such a line. In the example under consideration, the transfer of empty cars from the Lvov Railroad to the Southeastern Railroad meant that the latter "turned around" its flow of 100 cars intended for the Southern Railroad and sent them to the Kuybyshev Railroad, from where the flow went to the Kemerovo Railroad. The shortage of empty cars on the Southern Railroad was compensated by the transfer of gondolas from the Lvov Railroad. Moreover the transfer of gondolas from the Lvov Railroad to the Southern Railroad in order to reduce empty runs is not a straight-line pattern, but a rather complicated one which is difficult to calculate manually during operations work. In analyzing this case, it may be noted that a surge of railcars actually arrived on the Kemerovo Railroad, not from the Lvov Railroad, but one much closer—the Southeastern Railroad, which in itself significantly reduces the total number of empty runs.

The third group also includes the Tselina, Alma-Ata, and Central Asian Railroads. But the line which "turns around" its flow in this case is not the Southeastern Railroad, but the South Urals Railroad.

There is also a **fourth group** of railroads whose additional empty cars are transferred by a method which is a certain combination of the first three. The Belorussian, Baltic, and October Railroads are such lines. The flow of additional empty cars arriving on the Kemerovo Railroad from the Belorussian Railroad, for example, is the sum of two basic flows: the flow which begins on the Belorussian Railroad and the flow "turned around" by the Southeastern Railroad.

Calculation of the best possible plan for transferring empty cars connected with the third and fourth groups of railroads is very complicated, and along with calculation of a plan to transfer large numbers of empty cars, is practically impossible without the help of the personal computer. The number of cars subject to transfer has a substantial effect on the complexity of calculating the plan for transferring empty cars. The extent to which the arrangement for their transfer from the Belorussian Railroad to the Kemerovo Railroad is complicated when the amount is increased from 100 to 800 cars, let us say, is apparent from the fact that an additional five railroads had to be included in order to implement the plan by taking the minimum number of empty runs into account.

**Reduction of the imbalance of "regulatory gaps" formed among railroads in the system to "regulatory gaps" established by technical norms.** Fulfillment of the monthly plan for transferring empty railcars established by the Ministry of Railways is one of the main tasks for



effective regulation. This is based on the adherence by all railroads to the "regulatory gaps" which are determined by the technical norms for transferring empty gondolas through junction points.

Solution of the problem on the personal computer comes down to the following. The computer prints out the values of the "regulatory gaps" which exist at a given moment on all railroads and the sum of the overall imbalance for the system as a whole. If this sum is different from zero, the imbalance must be eliminated by putting a specific number of cars into the railroad's reserve or withdrawing them from it. When the additional work with the reserve of empty gondolas has been determined for each railroad in conformity with the technical rules, these data are entered in the computer and it automatically computes the new values for the "regulatory gaps" (which now should correspond to the "regulatory gaps" in the plan for transferring empty cars established by the Ministry of Railways) and those magnitudes for the transfer of empty gondolas for each junction point which should provide for the regulatory gaps required. The values computed for the transfer of cars by junction points are reflected in a graphic depiction. In addition, the personal computer can, when necessary, print out deviations of the calculated transfer plan from the technical norm by junction points, if they took place.

**Calculation of deviations from technical norms in the plan for transferring empty gondolas.** Deviations of current values in the plan for transferring empty gondolas from established technical norms are of interest both for dispatch personnel and managers of the Ministry of Railways Transport Main Administration. For this reason, distribution to the user of the deviations indicated is included in the tasks related to regulation of gondola operations. Graphic representation of the plan for transferring gondolas in a special mode is the solution of this problem. This mode is characterized by the fact that for each junction point, the total number of gondolas transferred through from one line to another is not printed out, but only the value for the deviation of this number from the norm for releasing empty gondolas for a given junction. Naturally, the current transfer of cars through junction points may either exceed the technical norm or be lower than it. In the first case the deviations are printed out with a "plus" sign, and in the second case, with a "minus."

In addition, the value of the deviation of the "regulatory gap" existing on a railroad from the value determined by the technical norms is computed for each railroad and printed out. A deviation with a minus sign in this case indicates that the railroad has an additional surplus of empty cars, and if the deviation has a plus sign, it indicates an additional shortage of empty cars. All deviations of "regulatory gaps" of the same type are totaled by railroads, and a value for two indicators—the sums of their positive and negative magnitudes—is given at the end of the display. Parity of these indicators attests to the absence of an imbalance in "regulatory gaps" in the

system. It is convenient to analyze the total number of deviations of current values in the plan for transferring empty gondolas from the technical norms with the plan for transferring empty gondolas which corresponds to it. This makes it possible to provide a better assessment of the current situation.

The technological bases for managing loading resources have now been formulated in the ADTsU MPS when the functions of the chief railcar distributor are implemented to redistribute empty railcar flows in the system, taking the current situation that has taken shape into account. The basis of the new technology is automated calculation of the transfer of empty railcar flows by junction points between railroads and interaction with a personal computer, which makes it possible to rapidly obtain different alternatives to solve a problem. The technological features of regions which "feed" the railroad being loaded have been identified as well, and they may be used to create a base of knowledge for expert systems for day-to-day regulation of the fleet of empty railcars.

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### **Railways Communications Net Development Reviewed**

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[Article by I. A. Zdorovtsov, Yu. A. Lipovetskiy, and V. V. Shmytinskiy, candidates of technical sciences: "The Development of a Primary Communications Network"]

[Text] One of the principal factors in improving efficiency in the management of technological processes in railroad transport is the introduction of automated on-line control systems. This process is being held back at present by the lack of the necessary primary communications network channels designated for the transmission of voice signals and digital information with a high degree of reliability and signals for railroad automated and remote control facilities. Only 25 to 30 percent of the sector's requirement for such channels is being met.

Intensive construction of cable transmission lines had made it possible to sharply increase the number of communications channels on the basic mainline directions in the system at a given stage. However, the two-cable transmission line based on special railroad balanced cable used at present will not be able to meet the requirements for transmitting the increasing volume of information in the future.

The design and electrical properties of type MKP and MKB railroad cables with a capacity of 7 X 4 are intended for the operation of analog transmission systems with frequency-division multiplexed channels (ChRK). The maximum capacity of such a line when the

K-60P transmission system is used is 480 voice-frequency channels, 12 low-frequency channels, and 10 remote control channels. Even now this is already insufficient in the principal rail directions, where the organization of communications among several railroad administrations is essential.

At the same time, the cable lines that have been laid are not being utilized efficiently enough on a number of railroads. This is explained by the lack of enough modern multichannel communications equipment to organize direct, grouped, and multiple-point voice-frequency channels. Railroad transport cable lines extend for about 80,000 kilometers at present. For this reason, selecting the principal directions for development of a primary communications network and consistently bringing it up to date are an important and urgent task.

The strategy for developing a unified national automated communications system (YeASS) is aimed at establishing an integrated digital communications network, and consequently, assumes a fundamental renovation of communications facilities based on the application of digital equipment. It is natural that the railroad communications network, as an integral part of the YeASS, should be developed in accordance with similar principles. At the same time, one of the main questions in the first stage of the work is the creation of digital transmission lines, inasmuch as the use of switching and other digital communications equipment is ineffective with analog transmission systems.

Experience in operating digital transmission systems in the national communications network and the measurements made on the first railroad digital communications systems in operation showed that encoding telephone signals and regeneration of pulsed signals in linear-path equipment ensure high quality in the channels organized. This quality does not depend practically on the length of the transmission line.

However, the introduction of digital transmission systems on existing cable lines of the Ministry of Railways involves a number of problems. First of all, the electrical properties of the railroad cables designed for analog systems of the K-60P type differ from the properties of cables being used for digital transmission systems. Moreover, railroad cables have a large number of third circuits, and the crosstalk attenuation is weakened at near and far ends because of this, which makes the conditions worse for regenerators to operate. The presence in these cables of STsB (signalization, centralization, and blocking) circuits leads to pulsed interference, which has a considerable effect on the reliability of signals in the linear path. The railroad cables' drawbacks also include low electrocorrosion dependability in soils with strong stray currents, a significant outlay of nonferrous metals in critically short supply, and so forth.

We cannot help but take into account a number of additional features in organizing the Ministry of Railways communications network when digital transmission systems are introduced. First of all, they include the combination in one cable transmission line laid along the length of the railroad bed of all kinds of primary and secondary networks—from mainline to division networks, and the presence of grouped networks to which subscribers at all the intermediate stations and stopping points are connected. The ramified structure of the railroad communications network will also affect the effectiveness of digital transmission systems, inasmuch as the branching out or separation of channels at junction or intermediate stations, which requires retransmission on a voice frequency, worsens the quality of voice-frequency channels in the primary network. Taking what has been stated into account, it is obvious that despite the general trend toward digitization, the alternatives and consistency in updating the railroad communications network will have important features in comparison with the national communications network.

The construction of digital transmission lines and the operation of digital transmission systems in transport are under way on several railroads in various regions of the country, and limited in nature for a number of reasons. Small digital sections have been organized on short local routes. In some cases they are an integral part of mainline and railroad networks utilizing analog transmission systems. This condition significantly reduces the gain from using digital transmission systems for the quality of channels, inasmuch as the parameters of the transmission systems with frequency separation are the determining factor in this case.

On what level should we begin introducing digital equipment and how do we organize the transition period? Two basic strategies for a gradual transition are applied in world practice: "from the top down" and "from the bottom up." As applied to the railroad transport communications network, the "from the top down" strategy assumes that digital equipment is introduced initially at the mainline communications level and is put into use in stages through the railroad junctions to the division junctions. Under the "from the bottom up" strategy, digital equipment is first introduced in a railroad division network and is gradually advanced to higher levels.

An intermediate alternative is also possible: digital communications facilities are introduced first where there is the most need for them and the saturation with analog equipment is minimal. At the same time, the features of the railroad communications network (in the first stage of setting up the digital network when digital linear paths are organized) make it possible to implement both strategies at once. Digital transmission systems with channel separation, which provide for extended mainline and railroad communications channels as well as shorter lines between intermediate stations in division communications, are necessary for this.

Two basic methods of transition may be utilized within the framework of these strategies: "superposition" and "digital islands." Under the "superposition" method, digital transmission systems are introduced at all levels in the communications network, and if digital devices are switched at junctions, a unified digital covering network may be formed. The network is extended only with digital equipment, and analog equipment is gradually dismantled and replaced by digital systems. This process is continued until the network becomes completely digital. So it is as if there are two separate networks initially (analog and digital) which serve the same territory. At the same time, it must be taken into account that each connection point in the networks cited reduces efficiency in using the digital equipment and increases the expenditures to organize analog-digital and reverse transitions.

With the "digital islands" method, a unified digital network is not created, but digital equipment is introduced initially only in those sections of the system where organization of a completely digital section is possible for economic or other considerations. In this case, "digital islands" will appear in a network that is generally analog, and consequently, analog equipment serves the different territories. Later on, the "islands" unite and form a unified digital network.

It is unlikely that one of these methods of transition will be applied in its pure form in practice. Selection of the best alternative for the transition probably will be by combining these methods, taking into account their advantages and drawbacks, as well as the condition of the network at the moment of transition.

In using the "superposition" method on the zonal networks of the national communications network, the IKM-120 transmission systems operate with the same cables (the MKS and ZKP type) as the analog transmission systems, often on parallel circuits. This simplifies the transition to digital systems. Use of the railroad cables for operation of the digital transmission systems requires special measures to suppress the pulsed interference which occurs in systems for automatic equipment and operational communications, but on electrified sections of a railroad—and from traction circuits.

Special filters have been developed to suppress pulsed interference by the "Electrical Communications" Department of the Leningrad Institute of Railroad Transport Engineers. They have been tested on one of the sections with self-contained traction equipment on the Baltic Railroad equipped with an IKM-120 transmission system. The tests showed the high efficiency of such filters—the coefficient of errors in a digital linear path was reduced by a factor of  $10^3$ . At the same time, considerable labor-intensiveness was apparent in equipping the cable circuits with these devices. This last factor does not make it possible to recommend this method of protection from pulsed interference for use everywhere. However, it may be used successfully if it is impossible to insulate the digital linear paths in separate cables.

It is apparent that the base alternative—a transmission line of two special railroad cables, which played a positive role in a certain stage—now becomes an obstacle to the introduction of digital transmission systems, and consequently, holds back improvement in communications quality and a further increase in the number of channels. The results of many tests show that on prospective routes, high-quality digital transmission systems and operational communications which use the low frequency spectrum should operate on different cables. Consequently, a three-cable trunk line is needed; two high-frequency cables of low capacity would be used for digital transmission systems in the mainline and railroad communications networks, and the third cable, whose capacity depends on the requirement of a specific section for communications channels, would be used to organize a division communications network using low and voice-frequency channels and transmission systems with a few frequency-division multiplexed channels. If the systems are single-band, the cable should have an internal shield to separate the directions of transmission.

The "digital islands" method is usually used with new construction and is most effective when only digital equipment, including switching and subscriber's apparatus, is used. It makes it possible to realize all the advantages of digital communication right away. However, use of this method is held up the lack of a set of special railroad communications apparatus for digital processing of signals.

Efficiency in utilizing the cable transmission lines which have now been laid in a two-cable system can be increased chiefly by maximum use of the frequency-division multiplexed channel transmission system, for which they were designed. In those directions where the opportunities for throughput capacity of railroad cables have been exhausted, it is expedient to lay a third cable—a fiber-optic cable—to organize trunk communications.

The advantages of fiber-optic transmission systems (VOSP) such as high throughput capacity, long distances between regeneration points, and insusceptibility to electromagnetic effects, can be shown with greatest effectiveness in the railroad trunk communications network. Use of the "Sopka-2" (IKM-120) or "Sopka-3" (IKM-480) apparatus for these purposes will make it possible to obtain an additional 240 or 960 high-grade channels, respectively, when fiber-optic cable (VOK) with four cores is used. At the same time, transferring the channels of mainline and railroad communications to fiber-optic cable will make it possible to increase the number of channels in division communications in the balanced cable laid previously. The division communications network remains analog in this stage and is developed on channels of the K-24T and K-3T equipment. The latter is necessary to connect up subscriber points located on open lines, sidings, and passenger platforms to the K-24T channel separation equipment located at stations.



Further development of this alternative is possible with the establishment of a special fiber-optic transmission system with channel separation at intermediate stations for division communications. In the future, in the event that the "Svir" type of fiber-optic transmission system with channel separation and the "Tsilindr" equipment, designed for use of the separated digital channels of the IKM in grouped operation, is utilized, part of the division communications channels may be shifted to fiber-optic cable, which will substantially improve the quality of communications. In order to connect up the subscribers on the open line, as well as in the first two alternatives, the K-3T can be used, inasmuch as the terminations of voice-frequency channels in the transmission system of frequency-division multiplexed channels and the systems with the IKM are similar.

Use of analog equipment in the subscriber network of division communications will cause the quality of channels being organized to deteriorate somewhat. For this reason, in the future it is necessary to use digital equipment with a small number of channels and individual encoding of the voice signal, which makes it possible to bring the digital signal to each subscriber. This can improve the quality of communications and expand the opportunities to develop primary and secondary networks considerably.

Returning to the traditional balanced cables, it should be noted that in the three-cable transmission line being recommended, part of the channels in division communications may be shifted to high-grade cables as well. The IKM-20 system should be equipped for this with apparatus for separating channels at intermediate stations. The apparatus for separating primary 30-channel digital streams at a transmission speed of 2.048 megabits per second from a secondary stream of 8.448 megabits per second (AV 8/2), supplemented by the special "Tsilindr" equipment, can serve as the basis for organizing a digital network of division communications.

In new construction, the use of fiber-optic systems provides the opportunity to shift to a two-cable transmission line. The fiber-optic cable in it is designed for digital systems (organization of mainline and railroad communications networks), but the second, traditional cable with metal cores is intended for the division communications network and railroad automated equipment circuits. At the same time, the "Sopka-2" and "Sopka-3" apparatus for mainline and railroad communications, as well as the fiber-optic transmission system of the "Svir" type for division communications, may be used in fiber-optic cable simultaneously.

		Development of the Base Version						New Construction					
Version Number		I	II		III		IV		V		VI		VII
Transmission Lines		Two-Cable	Three-Cable		Three-Cable		Three-Cable		Three-Cable		Two-Cable		Two-Cable
Cable		2 X MK...	VOK	2 X MK...	VOK	2 X MK...	2 X MK... (2 X 3K...)	Special multi-pair with internal shield	2 X MK... (2 X ZK...)	Special multi-pair	VOK	Special multi-pair with internal shield	VOK Special multi-pair
Levels of Primary Communications Network	Main-line	K-60	Sopka-3 (IKM-480), Sopka-2 (IKM-120)	—	Sopka-3 (IKM-480), Sopka-2 (IKM-120)	—	IKM-120	—	IKM-120	—	Sopka-3 (IKM-480), Sopka-2 (IKM-120)	—	Sopka-3 (IKM-480), Sopka-2 (IKM-120)
	Rail-road	K-60	Sopka-2 (IKM-120)	K-60	Sopka-2 (IKM-120)	—	IKM-120	—	IKM-120	—	Sopka-2 (IKM-120)	—	Sopka-2 (IKM-120)
	Division	K-24T, K-3T	—	K-24T, K-3T	Svir (IKM-120, Tsilindr)	K-24T, K-3T	—	K-24T, K-3T	IKM-120/ AV 8/2, Tsilindr	K-3T	—	K-24T, K-3T	Svir (IKM-120, Tsilindr), K-3T

All the alternatives for using the basic multichannel systems for transmitting information when the Ministry of Railways primary communications system is developed are shown in the table. There are seven variations.

The first three illustrate the direction of development of the base version of a two-cable transmission line, variations IV and V have the new cable lines using three traditional cables with metal cores, and variations VI



and VII have the two-cable lines using fiber-optic and metal cable. The diversity of the variations is apparent. The directions cited for development in the future lead to three main alternatives for developing transmission lines in the transport communications network (III, V and VII), which are based on standard digital transmission systems. This will make it possible to easily unite individual sections into one primary digital communications network in railroad transport.

Together with Variation I (the base alternative), it is possible to implement only Variation II at present, inasmuch as the special apparatus for separating channels and the high-capacity cables with an internal shield exist only in experimental form—series production of them is provided for only in the future five-year plan. The lack of apparatus for separation and these cables substantially reduces the effectiveness of the variations

for new construction (IV - VII). In this case, the organization of a division communications network will require a very large number of physical circuits and as a result, it will lead to excessive capacity and inefficient use of the third cable.

In order to achieve full realization of the alternatives for modernizing the primary network of railroad communications and to organize high-quality secondary circuits based on it, scientific research and experimental design work and the solution of a number of technical and organizational problems are required. At the same time, a comprehensive approach, close interaction between science and practice, and thorough training of specialists to operate the new equipment are essential.

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